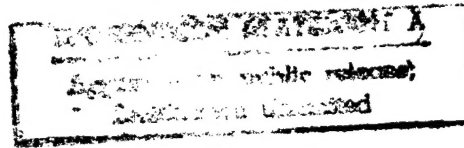


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# Latin America Report

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4 June 1982

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No. 2515

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## BRIEFS

REFINERY START-UP--ST. JOHN'S, Tues., (Cana) ANTIGUA AND BARBUDA'S lone oil refinery is expected to start producing petroleum products by the middle of next month, company officials said. West Indies Oil Refinery officials said they were optimistic that if everything went according to plan, gasoline, furnace oil, diesel and cooking gas should be on the local market once again by May 15. The refinery, which was closed in 1975 by the former Government was officially re-opened last December, but it began to process crude again only from the beginning of this month. [Kingston THE DAILY GLEANER in English 26 Apr 82 p 1]

CSO: 3025/275

## GETTY OIL COMPANY GETS FIRST LICENSE FOR OIL EXPLORATION

Nassau THE TRIBUNE in English 29 Apr 82 pp 1, 12

[Article by Gladstone Thurston]

[Text] THE GOVERNMENT has awarded oil exploratory licences to a subsidiary of Getty Oil Company on 50 blocks in the Bahamas.

Getty is the first major petroleum company to receive exploratory licences under the new Bahamas legislation.

The blocks are located in two areas, one approximately 40 miles south of Grand Bahama Island, and the other about 60 miles southeast of Andros Island. Water depth in the two areas range from a few feet to 600 feet.

Under the terms of the licences, the subsidiary, Getty Oil (Bahamas) Inc, will conduct extensive geophysical surveys in the areas during the next 30 months.

After the surveys Getty will have the option of drilling exploratory wells on the blocks retained by the company.

If a commercial discovery is made, the Bahamas will have several options to acquire either royalty or a working interest, or a combination of the two, in the project.

The signing of the agreement

took place this morning in Prime Minister Lynden Pindling's office. Among those present were Economic Affairs Minister Alfred Maycock, Getty's vice president and production division manager Jud H Oualline, exploration manager M C Lutz, offshore district manager D G Mickmore, offshore district exploration manager J G Butera, and district landman J J McGraw.

"We are extremely pleased to be participating in this project with the Bahamian government," Mr Oualline said. "It is Getty's intention to utilise Bahamian services and local labour whenever possible in our operations. We look forward to a long and mutually beneficial relationship."

Oualline said that preparations have already begun in the United States for oil exploration in the Bahamas. That entailed doing some experimental work to decide what was the very best process that could be used in the varying water depths where they will be operating, he said.

As a result of that, Oualline said, Getty is to contract a company that has the best knowledge and experience in this type of operation which would give Getty the best information available to do the work.

There has been sporadic exploration in the Bahamas, but no real detail. He said it is known that from the geological environment in which the Bahamas is situated, it is possible for oil, gas and hydrocarbons to be found.

"We are quite hopeful that we will be able to find the oil and gas we are looking for here," said Oualline. "We still have faith that it's here and we are going to do everything in our power to find it."

### WORKERS PARTY

THE Worker's Party will hold an emergency meeting at party headquarters-Black Village this evening at 8 pm. All central committee members and party generals are urged to attend.

## BRIEFS

FUEL PRICE INCREASES--ROSEAU, Sun., (Cana)--THE DOMINICAN Government yesterday issued a lengthy statement giving the backgrounds to recent price increases for petroleum products, about which consumers had been complaining. The increases, which came into effect on March 10, affected commodities such as gasoline, which rose by 14 cents from \$6.01. The Government indicated that it had negotiated the best prices possible for the commodities, saying had it agreed to figures presented by retailers, the increases would have been much higher. "The government examined the companies proposals and felt that these increases could not be entertained since the companies had not satisfactorily established a case to justify the price increases," the statement said. It said the government was closely monitoring the movement of oil prices on the international market and only awarded increases when locally-based companies prove beyond doubt that their requests were justified. The statement, noting reductions in the price of oil in the Organisation of Petroleum Exporting Countries (OPEC), said that a decrease in world market prices did not necessarily mean a similar reduction in local prices. Consumers, it said had been expecting lower prices, but the statement noted that many external factors determined price levels. [Port-of-Spain TRINIDAD GUARDIAN in English 26 Apr 82 p 4]

CSO: 3025/275

## NATURAL GAS FOUND AT WINDSOR OIL EXPLORATION SITE

Kingston THE DAILY GLEANER in English 8 Apr 82 p 18

[Text]

**THE EXISTENCE** of natural gas at the Windsor oil exploration site on the Drax Hall property in St. Ann, has been confirmed after a month of drilling.

According to an informed source close to the exploration, the "gas show" which has been associated with the area for more than 100 years, was "conclusively confirmed" with evidence of the gas on the surface of the drilling site and in the hole of the well.

However, there was no evidence of it being in commercial quantity and the extent of the gas find in the area could not be determined by one well.

Although this discovery did not mean that additional gas or oil was at the Windsor site, the spokesman said that drilling which is presently at 5,791 feet

would continue to the target depth of 10,000 feet or until "economic basement" is reached, with the hope of finding adequate supplies of oil.

Drilling at Windsor began on February 23 by the American-based Parker Drilling Company, and is expected to be completed by May 31. The oil exploration team will then move to the Retrieve site, in Westmoreland, preparation for which has already begun.

Meanwhile offshore drilling at Arawak No.1 well, south-west of the Pedro Banks, is continuing with Union Texas Petroleum Corporation as the operator. Last Friday, drilling had passed the required depth of 11,600 feet.

Although discovery of oil is unlikely from this well, additional geological data is being collected by drilling deeper. The hole is now 12,700 feet deep.

CSO: 3025/275



## BRIEFS

DRILLING RESULTS--Drilling on the Arawak Block (Block "C") in the off-shore exploration on the Pedro Bank for oil will be completed by Friday unless there is "a very interesting find" in the next 500 feet of drilling, Prime Minister Edward Seaga said in his Budget Speech. Mr. Seaga said that drilling was at 14,400 feet and the target was 15,000 feet. The drilling is proceeding in shale, which is a kind of formation which is considered a suitable seal for a reservoir of hydro-carbon deposits. Mr. Seaga said that the result was both positive and negative, since the shale formation suggested entering a prospective area, while the drilling depth indicated that there would be a high cost involved in any find. Unless something very unusual happened, it was doubtful that there would be a find in this well, but the interesting information that had developed certainly held promise for the future, he said. SPEAKING ON THE inland programme at Windsor in St. Ann, he said that too, had also entered an interesting stage. The early part of the programme "encountered both gas and oil shows, both of which have now ceased, as the drilling continue." "But, just this week, an area of composition which suggests the kind of rock formation necessary to seal an hydro-carbon reservoir, was discovered." "The maximum depth for that well is 10,000 feet. Presently the depth at which drilling is taking place is 8,200 feet and there is another three weeks of drilling left in this programme," Mr. Seaga said. [Kingston THE DAILY GLEANER in English 26 Apr 82 p 1]

CSO: 3025/275

## FMLN, CUBAN, NICARAGUAN OFFICIALS INTERVIEWED

Paris REVOLUTION in French 26 Feb 82 pp 18-22

[Interview with Cuban Ambassador Gregorio Ortega, Nicaraguan Ambassador Alejandro Serrano Caldera and Salvadoran FMLN/FDR Representative Roberto Armijo by Jose Fort, assistant chief of L'HUMANITE's international division; date and place of interview not specified]

[Text] What are Reagan's real plans for Central America? Is the United States, as it claims, threatened by a Soviet-Cuban destabilization effort? Are there Cuban troops in Nicaragua and El Salvador? How do the region's peoples view the future and what do they expect of France? These questions, among others, are answered by Cuban Ambassador Gregorio Ortega, Nicaraguan Ambassador Alejandro Serrano Caldera and Salvadoran FMLN [Farabundo Marti National Liberation Front]/FDR [expansion unknown] Representative Roberto Armijo, who met with Jose Fort, assistant chief of L'HUMANITE's international division.

JOSE FORT: Ronald Reagan stated recently that there was no plan to send U.S. combat troops to any part of the world whatsoever. Despite such denials, do you think that an intervention plan for Central America exists?

ROBERTO ARMIJO: The analysis of the Farabundo Marti National Liberation Front anticipates three possibilities. The first--and least probable--is direct and massive aggression by U.S. troops, which would internationalize the conflict in Central America. The second is the invocation of the TIAR [Inter-American Reciprocal Assistance Treaty], which means the intervention of Latin American troops in El Salvador. A month ago, under U.S. pressure, Costa Rica, Honduras and El Salvador signed a treaty to this effect. Negotiations have taken place between the high military commands of Argentina, the Southern Cone and Columbia. Uruguay, Paraguay and Venezuela have also taken steps. The Salvadoran junta, which hopes to be legitimately established following the elections of 28 March, would thus invoke the TIAR in the event of significant FMLN progress.

JOSE FORT: It has been reported that 1,000 soldiers and specialists of the Argentine security services are ready to intervene in Guatemala and particularly in El Salvador. Is this true?

ROBERTO ARMIJO: According to official reports, this risk exists. In fact, 1,600 soldiers are taking intensive training courses in the United States and the dictatorships of Argentina, the Southern Cone and Venezuela are ready to intervene. There is also the third possibility, which Reagan is implementing today: the intensification of military assistance and the participation of special police elements from the Southern Cone.

GREGORIO ORTEGA: The text of the Santa Fe document, adopted by Reagan's Republican platform for the presidential election, included intervention in Central America as part of U.S. strategy. Haig and other U.S. leaders constantly reiterate that they have not ruled out the use of any expedient to intervene directly in El Salvador and the Caribbean.

Intervention already exists, regardless of what the Americans say. A film broadcast recently on U.S. and French television showed armed U.S. advisers in El Salvador. We have witnessed the increasing use of helicopters and modern combat resources, which have already been tested and proven in Vietnam. The army robs, destroys, terrorizes and assassinates the peasants to weaken popular support for the guerrillas. No matter how much U.S. officials repeat that El Salvador is not Vietnam, the techniques are certainly the same.

An interministerial commission has been established to study the measures to be taken against Cuba and Nicaragua: a trade embargo, naval blockade, without ruling out direct military aggression. The WASHINGTON POST has just revealed that the CIA and the Pentagon have submitted this plan to Reagan, who has approved some of its measures. Without providing details--for this plan remains secret--the WASHINGTON POST talks about a blocked oil supply and air raids on strategic Cuban sites. Paramilitary action to destabilize Nicaragua and create border incidents are also planned. These reports have not been denied by the Pentagon, White House and CIA.

What is unbelievable is that the preparations for U.S. intervention in Central America, in violation of all international laws, have not caused a world scandal. Cuba's experience proves that U.S. use of the term "nonintervention" refers in general to the period of preparing for intervention. Then, being limited by so-called "circumstances," which the United States has itself created, it tries to persuade public opinion of the need for intervention. The provocation in the Gulf of Tonkin may be recalled. But the threatened peoples have prepared for the worst and we appeal to public opinion to express its solidarity with peoples fighting for their liberation.

DOMINIQUE VIDAL: Isn't Reagan's recent statement also a reflection of the problems he is experiencing with regard to the anxiety of Western European countries, whose leaders have summoned U.S. ambassadors to warn them, but also in view of the shock caused to American opinion by the film showing armed military advisers in El Salvador, a film which, as we know, has strengthened opposition to intervention by the United States itself?

ALEJANDRO SERRANO CALDERA: The apparently contradictory statements of Reagan and Haig are in keeping with a continued policy threatening Central America. If the viability of a plan for direct military intervention is uncertain, aggression already exists. In Nicaragua, it is being carried out on three levels: diplomatic, economic and financial, and finally, military.

Through the news media, the United States is carrying out a world campaign to maintain confusion about the situation in Nicaragua. They are transforming pluralism, mixed economy and nonalignment into unconditional alignment and international intransigence. For example, LE FIGARO MAGAZINE has taken their cue by presenting, with the aid of false reports, a distorted picture of Nicaragua. The United States is also intervening in bilateral diplomatic relations and exerting pressure within international organizations to isolate Nicaragua, as in the case of the World Bank, where the United States is opposing another loan of \$16 million. Finally, on the military level, if the United States has intervened directly 4 times during this century, today it is doing so indirectly: by training Somozan guards on its territory.

In response to our indignation, the United States objects that such training is being carried out on private property and that it cannot prevent it. But isn't organizing counterrevolutionary gangs in violation of international law? The WASHINGTON POST and HERALD TRIBUNE have asserted that a total budget of \$19 million has been approved for destabilizing Nicaragua. With such aid, terrorist acts will increase. As the Nicaraguan chief of state security disclosed in a press conference, there are destabilization plans for continuing the abortive attempts to blow up a refinery and cement plant in January. The weapons and explosives used in the abortive attacks on ports, that of Paso Caballo in particular, and the Chinandega electric power plant came from Honduras.

We were provided a new and tragic example with the explosion of a bomb on 20 February at 1930 hours in a TACA airplane from San Salvador. The bomb exploded 15 minutes after the plane arrived at Managua's Sandino Airport, killing two airport security agents and five service personnel.

JOSE FORT: The events in Central America are often depicted by the United States, some government leaders and most news media as the result of indirect Soviet intervention through Cuba. They claim this reveals the East-West confrontation, in which Nicaragua would have a specific role to play. Thus is it Cuba's mission to destabilize the region? Is Nicaragua serving these goals? ....

DOMINIQUE VIDAL: ... And if not, what are the real causes of the struggle of Central American and Caribbean peoples? In particular, in Nicaragua and El Salvador?

GREGORIO ORTEGA: For more than a century, dictatorships have succeeded each other in Central America, have kept the people oppressed and poor, all with the support of U.S. monopolistic groups. In El Salvador in the 1930's, the oligarchy, with U.S. support, massacred 30,000 peasants; the United States invaded Nicaragua and fought Sandino's patriotic forces until they had assassinated him, and finally, in the 1950's, still before the Cuban Revolution, the CIA financed, trained and armed the mercenaries who toppled the government of Arbenz, whose sin was having undertaken agrarian reform and attacked the interests of the powerful United Fruit Company.

Thus the anti-imperialist campaign in Central America, as you see, began long before the Cuban Revolution. What is true is that Cuba is practicing true solidarity with Central American liberation movements, which means that it gives them political, moral and--when we can--materiel support ....

JOSE FORT: ... Materiel support, what does that mean? Are there Cuban troops in El Salvador?

GREGORIO ORTEGA: There is no Cuban soldier in Central America, neither in El Salvador nor in Nicaragua. The only Cubans present in Nicaragua are doctors, teachers, etc., who are contributing to Nicaragua's cultural and economic development. The Cuban Government has also challenged Haig to submit the least proof for his statements concerning the presence of Cuban soldiers. The truth is that ... three Cuban teachers have been assassinated while teaching the Nicaraguan people to read and write!

DOMINIQUE VIDAL: Haig also claims that Nicaragua is the "subversive base" from which destabilizing elements also depart for El Salvador and other countries in the region.

ALEJANDRO SERRANO CALDERA: You know, U.S. intervention in the region dates back to before the Russian, Cuban and Nicaraguan revolutions. The Americans intervened successively in our country in 1912 and in 1927 to stop revolutionary processes ... whose origin cannot logically be attributed to the USSR or Cuba. But I note above all that despite the power of the CIA, the United States has not been able to provide the least proof of its claim concerning Nicaraguan intervention in El Salvador, whereas the action of U.S. soldiers needs no proof.

Furthermore: It was Nicaragua which brought about the 1981 meeting of the ambassadors, and then of the chiefs of state, of Nicaragua and Honduras, whose purpose was to engage a peace process in the region. Nicaragua also wanted a meeting of defense ministers to establish the means for mutual border guarantees, but there was no response to this proposal. If Nicaragua is accused of supplying arms to El Salvador, why didn't Honduras accept the guarantees and steps proposed by our country to combat all arms deliveries? For without passing through Honduras or the Gulf of Fonseca, which is heavily patrolled, the arms cannot be delivered: there are no common borders between Nicaragua and El Salvador.

JOSE FORT: And you, Salvadoran FMLN revolutionaries, are you, as the Reagan administration and the media in its service claim, "subversive agents" in the service of the Soviet Union? What is the real reason for your insurrection?

ROBERTO ARMIJO: Such terminology for patriots fighting in the Third World is that of the middle class, whose interests are linked to those of the Americans. The government of El Salvador is the oldest bureaucratic and military dictatorship. It has never held free elections. It has oppressed the people more than any other dictatorship. There are 68 percent peasants in the working population of El Salvador. In our country, there are 3.600 million day laborers working on large plantations. The underlying causes of the rebellion are to be found in the exploitation of which they are the victims. Which is what Monseigneur Romero asserted in his homily, when he said: "The violence of the people corresponds to the violence of the government." For the generals, whose ties with the oligarchy are well known, have organized a terrible campaign of repression. To maintain order, the oligarchy--which represents 2 percent of the population and controls all the wealth--has used the National Guard to assassinate the peasants, first in small groups and then, since 1974, by the dozens.

There is nothing surprising about the fact that this rebellion for social justice and liberation has been denounced by the Reagan administration as being due to Soviet expansionism. Such an assessment, recognized as false by numerous opinion groups in the world, is part of the overall strategy of U.S. imperialism, which refuses to recognize the liberation movements of Third World patriots. It is against this background that the Franco-Mexican declaration, recognizing the representativeness and legitimacy of the FMLN-FDR, derives its entire significance. For the FMLN-FDR definitely groups together the different factions of the people and the country's dynamic forces struggling against oppression, and the only solution to the present crisis is the overthrow of the Salvadoran oligarchy's government and the generals in its service.

DOMINIQUE VIDAL: Were the movement's underlying causes identical or similar to Nicaragua?

ALEJANDRO SERRANO CALDERA: We have fought and are still fighting for liberty, for it is in the Third World, and especially in Latin America, in Nicaragua in particular, that liberty has been most violated. In Nicaragua, it is the entire people who have revolted against oppression, illiteracy, infant mortality, poverty, violence, and against the man responsible for that exploitation: Somoza. The people have fought for democracy, participation in national life, access to the decision-making process and improved living standards.

Confining this struggle to the context of the East-West conflict would be to simplify history mechanically. Exploitation in Nicaragua has existed for centuries. The peasants, who took up arms against the Somoza dictatorship, were hardly well-informed about world conflicts between the East and West. This argument is therefore false and serves only the interests ... of those who use it!

The peoples of Europe, who have fought for a decent life, should understand that the Nicaraguan people are also fighting for individual and collective liberties, for the right to food, education, culture, literacy. The initial reconstruction efforts of the Nicaraguan revolution were concerned with literacy. For example, by reducing the illiteracy level from 52 percent--sometimes 80 percent in rural areas--to 12 percent, this was a way to give our people the basic means to achieve their liberation. Similarly, we have been taking the first steps in the revolutionary process, toward active humanism.

JOSE FORT: To get back to El Salvador, what is the role of Napoleon Duarte, whom last week's L'EXPRESS dared to describe as a "patient man," a democrat who wants to avoid rightist and leftist extremism?

ROBERTO ARMIJO: He is a populist leader, whose personal ambition has led him to become the prisoner of the military. Like several other figures, he is only a puppet of those who really make the decisions: the military. In El Salvador, government decisions have always been those of the general staff. The stakes in the struggle between the various rightist parties and Christian Democracy hinge on relations with the military.

JOSE FORT: In France, the movement for solidarity with El Salvador has constantly developed. But there is another movement, which is growing, in the United States. Do you have any relations with the groups which organized it?

ROBERTO ARMIJO: The assassination of Monseigneur Romero, the last hope for a dialogue, and the scope of the crimes committed by the right have aroused sympathy worldwide, particularly since, as a result of the efforts of FMLN/FDR delegations abroad to alert public opinion and obtain recognition of the legitimate struggle of Salvadoran patriots, the right can no longer say today that we are terrorists. We have been supported by religious, medical and intellectual institutions. In the United Nations, 69 countries adopted the Franco-Mexican declaration. And in fact, the movement is growing in the United States itself, also thanks to the relations which we have established with numerous forces.

JOSE FORT: U.S. officials say that your victory would mean the advent of a Marxist government. The Salvadoran representatives constantly reaffirm the pluralistic character of the society which they want to build. Thus, what is the real political outlook for the Salvadoran insurrection?

ROBERTO ARMIJO: The FMLN/FDR has reiterated its willingness to negotiate. It is in favor of this pluralistic, nonaligned government which would respect a mixed economy. Such a transition government has been described by the front's various figures in open letters to U.S. newspapers.

DOMINIQUE VIDAL: Another series of questions. What role will the upcoming elections play in El Salvador? More generally, what are the campaign prospects of Salvadorans? How do Cuba and Nicaragua intend to respond to U.S. threats? Finally, what do you expect of Western European governments and, in particular, from the new government of France, in order to prevent the situation in Central America from worsening, whose consequences could be global?

GREGORIO ORTEGA: With regard to the first question, it is clear that the farce of the March elections, by which the United States intends to "legalize" a tyrannical, minority and brutal regime, must be rejected. That is why it is very important for many Western governments to refuse to send observers to the elections. The same is true with regard to the demonstrations of U.S., religious, student and trade union representatives, who travel across the United States to explain Reagan's hesitations and contradictions. Moreover, U.S. internal opposition to Reagan's policy concerning Central America and El Salvador has been mobilized much more rapidly than in the case of Vietnam; such opposition has clearly become aware of the imperialist strategy. In our opinion, the reaction in the United States and in Europe is decisive for preventing the Reagan plan from continuing and leading to a regional conflict, or even worse ....

DOMINIQUE VIDAL: ... A disturbing situation ....

GREGORIO ORTEGA: ... Yes, but the outlook is clear. If the people are allowed to make major national choices, the oligarchies and U.S. multinationals are historically doomed. Just as no one was able to prevent the Cuban Revolution from bringing about changes aimed at progress or to prevent Nicaragua from opening the way for economic, cultural and social development, neither will anyone be able to prevent the Salvadoran people from crushing the fascist military and freely building a free and happy country in which the scourges inherited from U.S. imperialism and the national oligarchy will be eliminated.



If there is U.S. or Latin American armed intervention, it will be defeated, but at the cost of massacres and even greater destruction. To prevent pointless massacres, the peoples of the world [must] understand what is at stake in the struggle. Our people must obtain the right to independence and self-determination in order to emerge from historical stagnation. Our desire is that the struggles of peoples against national oligarchies will be victorious and that imperialistic intervention will not make the situation worse. Our outlook is still for victory.

DOMINIQUE VIDAL: Let's get back to the contribution which the French Government can make. The sale of arms to Nicaragua, for example ....

GREGORIO ORTEGA: In an interview with AFP [French Press Agency], Carlos Rafael Rodriguez, vice president of the Cuban Council of State and the Council of Ministers, assessed that as a positive contribution and hoped that it "would be interpreted for what it is, without necessarily claiming--as the U.S. Government does--that it is part of the so-called East-West contradictions." Legally, that act is irreproachable.

JOSE FORT: Without violating diplomatic secrecy, is it possible to speak of Franco-Cuban cooperation concerning the general situation in Central America?

GREGORIO ORTEGA: No, there is none. Otherwise, Franco-Cuban relations are normal. As Carlos Rafael Rodriguez said in the same interview, we hope "to develop our relations and intensify our cooperation. It is hardly necessary to add that Cuba views such cooperation as not implying any change in the political positions which it has adopted and without supposing that the French Government will change its known positions either." We want to have cooperation in the service of peace and development and world progress.

JOSE FORT: May I ask you, Mr Ambassador from Nicaragua, these same two questions concerning the prospects and role of France? While perhaps getting back to what you were saying about the common basis and differences existing in Central America?

ALEJANDRO SERRANO CALDERA: I was referring to U.S. policy regarding our different countries. Its policy is not the same for El Salvador, Nicaragua and the Central American Economic Community. Concerning the presence of armed military advisers in El Salvador and the varied aggression against Nicaragua, which I mentioned, the desire is the same, as is our outlook: the peoples of the world must become aware of historical development. That is not a romantic statement, but one which involves historical facts and objective processes. It is necessary to be deeply aware that Central American problems can have a more general value. The destiny of mankind is at stake in every country. The solutions provided, in one way or another, will affect other countries. We reaffirm our desire as a country and our moral support of national liberation movements, but we reject any other type of action. We denounce the relentless effort, for ideological reasons, against our country, to isolate it.

Concerning the purchase of arms from France, whose positive character is obvious, I would like to point out this contradiction: We are being blamed--as is France--



for diversifying our material, when it is a question of defending ourselves and making such a purchase in order to do so. As a sovereign state, it is moreover perfectly normal for us to claim our right to negotiate agreements for arms, wheat or energy with any other sovereign state. And we reaffirm our determination to have our sovereignty respected. Just as we reaffirm our devotion to pluralism, to a mixed economy, to nonalignment, to respect for all individual and collective liberties, to diversification of our international relations, as declared by the Sandinist Assembly which met in January 1982.

JOSE FORT: Are there other plans for cooperation between France and Nicaragua?

ALEJANDRO SERRANO CALDERA: There were already others even before the arms sale. Now we want to develop them further, particularly on an industrial level.

JOSE FORT: One final question. What do you think of the Venezuelan Democratic Action Party's rejection of the participation of a Nicaraguan delegation in the Socialist Internationale meeting?

ALEJANDRO SERRANO CALDERA: In the fight which we are waging and in times of acute regional crisis, we regret anything which prevents a dialogue. For only a dialogue can resolve the contradictions between nations.

DOMINIQUE VIDAL: Let us conclude, as we began, with the Salvadoran situation and the role which the Franco-Mexican declaration of last August played therein.

ROBERTO ARMIJO: Prior to the Franco-Mexican declaration, press agencies depicted--as we said earlier--Duarte as being caught between the fires of the far left and the far right. The purpose of the representation of the Farabundo Marti Front and the Democratic Front in the world was to debunk this lie. The press has nevertheless continued to depict us as terrorists and to ignore the social force and political scope of the movement opposed to the democratic-Christian-military junta. Since the Franco-Mexican declaration, not only has such a lie no longer been possible, but great hope has emerged among Salvadorans, especially since French revolutionary traditions inspired a large number of our own revolutionaries in the 19th century, which lends even more weight to the legitimacy of our fight.

In short, the Franco-Mexican declaration strengthened our optimism, despite the horrors of the war of liberation, concerning the outlook for our struggle. We are fighting against U.S. imperialism in unison within the FMLN. Our armed forces have won major victories. And we submitted to friendly governments a document in which we noted the points which we were prepared to negotiate, including with the right. But after the present junta's bloody crimes, we came to the conclusion that a dialogue was no longer possible. The March elections, I repeat, are a farce. The situation has shifted in our favor, whereas there is less room for the United States to maneuver and the Salvadoran oligarchy is breaking down, a victim of the crisis. The solidarity movement, both inside and outside the country, is growing. That is the basis of our optimism.

JOSE FORT: You are in touch with French Government representatives. Beyond the declaration of August, is the climate more or less favorable now?

ROBERTO ARMIJO: There is no doubt at all that it has changed; it is more favorable. Our victory will also be one for French democrats and progressives.

## TEXT OF TACC COMMUNIQUE SUPPORTING ARGENTINA

PA240236 Managua EL NUEVO DIARIO in Spanish 12 May 82 pp 1, 11

[Text of TACC communique on military aid for Argentina]

[Text] England and the United States Show Absolute Contempt for Peace

With the new British military attacks against "Puerto Argentino" and "Puerto Drawin" in the Malvinas Islands and the landing maneuvers by the United States in Guantanamo and "Vieques" Island in Puerto Rico, England and the United States have displayed absolute contempt for peace, our America and the United Nations.

The Central American and Caribbean Anti-Imperialist Tribunal (TACC), while repudiating and strongly condemning such an uncivilized attitude on the part of both nations, denounces the criminal action of the British Air Force which machinegunned the rescue boats of the small vessel "Narval," which was evacuating 25 wounded sailors shortly before it sank.

The only explanation for this intransigent and bellicose attitude of Great Britain, not only against Argentine sovereignty but against all our America, is the political and military support that the present Reagan administration offers the British forces on Ascension Island with U.S. espionage satellites; C5A and KS135 planes and the network of U.S. military bases throughout the world, where the "Harrier" fighter-bombers are refueled.

In view of this serious situation provoked by England and the United States, flagrantly violating the UN Charter and Resolution 502 the presidency and Executive Committee of the tribunal, considering that this new British act of aggression, along with the British decision to extend the area of "total exclusion" to the 12-mile boundaries of the Argentine mainland, constitute a declaration of war against that sister nation, have agreed:

1. To support the legitimate right of Argentina to maintain its military forces on the Malvinas Islands.
2. To support any initiative by Argentina to reinforce these forces with troops from the armies of our America which may be willing, as true children of Bolivar, Marti, Sandino and all our other great heroes of the past and present centuries, to defend the fatherland of Gen Jose de San Martin.

3. To support the initiative of some governments of our America, to create a new organization in which only the Latin American and Caribbean states will be represented, and a new solidarity organization separate from the TIAR, which, since its foundation, was always used by the various U.S. Governments to impose hegemonic U.S. policy, betraying the interests of our America.

4. To ask the government headed by Gen Leopoldo Galtieri for the reestablishment of all public freedoms; the release of all political prisoners, and information on the fate of the thousands of missing persons, to create in Argentina a climate of total national and popular participation in the defense of the country's sovereignty.

5. To call on the peoples of our America and of the world to repudiate the British and U.S. imperialist policies, which have been specifically demonstrated in continuous aggression against Argentina; in the "Ocean Venture 82" air and naval maneuvers, which are designed to intimidate Cuba, Nicaragua and Grenada; and in the increased number of military advisers to El Salvador, Guatemala and Honduras, to try to drown the heroic struggle of those peoples for their freedom in blood, and to encourage counterrevolutionary groups which constantly attack Nicaragua.

6. To support an urgent meeting of the Organization of Latin American and Caribbean countries, or in its absence, of the Latin American Economic System (SELA), where measures may be adopted to counter all unilateral or arbitrary measures taken by the Reagan administration, which establish regulations and protection systems that seriously affect the economies of the countries of our America, and directly jeopardize their balance of payments and independent development.

Released in Managua on the 10th day of the month of May of the year 1982.

[Signed] Guillermo Toriello, president; Xavier Chamorro, C.E. [as published] president; Rogelio Sinan, vice president; Danilo Aguirre, C.E. vice president; Arnoldo Mora, vice president; Uriel Molina, C.E. vice president; Claribel Alegria, vice president; Freddy Balzan, executive secretary.

CSO: 3010/1583

## INVOLVEMENT IN GUYANESE-VENEZUELAN BORDER DISPUTE TOLD

Paris EST & OUEST in French 1 Apr 82 pp 467-468

[Article by Andre Laforge]

[Excerpt] For about 100 years, Guyana has had a dispute with Venezuela in which the latter has been demanding the return of Esequibo, a territory annexed by the British to their former colony. The dispute has recently grown more bitter as a result of intervention by Cuba, which has taken an official stand in support of Guyana by offering the latter its "support" in a joint statement by the leaders of the two countries during a meeting in Georgetown. Relations between Venezuela and Cuba had already grown colder as a result of action by the military court in Caracas, which had acquitted the four chief defendants involved in the hijacking of a Cuban airplane that resulted in the death of 70 persons.

Cuba's intervention in the territorial dispute between Guyana and Venezuela was described as "intolerable interference" in an official communique issued by the Venezuelan Government on 13 November 1981. President Luis Herrera Campins had several times expressed concern over the Cuban military presence in several countries. On 28 August, the daily EL MUNDO of Caracas reported the probable arrival of 15,000 Cuban soldiers in Guyana. The news was spread while President Campins was a guest of Brazil. According to other reports, 7,500 "advisers" calling themselves "international experts," but actually aviators and specialists in guerrilla warfare, had already arrived in Guyana.

Basing its information on authorized sources (notably counterespionage services), the Mexican magazine REPLICA (July 1981) reported that two camouflaged Cuban planes had landed and that a contingent of 37 Cubans, most of them black, had arrived in Guyana in June. Twelve of them had been sent by Maj Filiberto Castineira of the Cuban Vice Ministry for Internal Order, an agency of the Ministry of Interior. Their mission presumably was to organize the security service along the lines of Cuba's vigilance committees. Twelve others were specialists in explosives and destruction and were responsible for training the armed forces for commando operations. Ten men, working under the orders of Ramiro Valdez, were in charge of initiating the selection of personnel for espionage and counterespionage activities. Lastly, the contingent included five members of Cuba's Union of Young Communists [UJC] who had come from Cienfuegos on orders from Julian Hecheverria, provincial director of the UJC. Their assignment: political indoctrination.

So much more than diplomatic support is involved: the issue is one of Guyana's progressive takeover by Cuba. The close relations between the two countries are not a recent development. A few years ago, the troops being sent out by Fidel Castro refueled at Guyana's airports and also stopped over there on their return. Some units must have remained in Guyana to become "international experts."

#### Threats Against Venezuela

The protocol signed by Great Britain and Venezuela in 1970 postponed settlement of the territorial dispute for 12 years, and it expires in mid-1982. By then, the Cubans will have completed the process of establishing themselves in Guyana. At the conclusion of the visit to President Reagan by President Campins at the end of 1981, official communiques and news reports made no mention of the situation, but it was too serious not to have been discussed during the talks and also too serious to be thrown into the arena of public opinion. In Venezuela as in many other countries, it is not wise to be seen as a "lackey of U.S. imperialism." Even former President Rafael Caldera, leader of the Christian Democrats, candidate in the upcoming elections, and a friend of the United States, has expressed opposition to a blockade of Cuba, calling it "ineffective at this time." To insure his reelection, President Campins cannot afford to arouse leftist circles against him by suggesting that he has asked for U.S. support in settling a problem in which Cuba is involved.

Dr Oswaldo Alvarez Paz, head of the COPEI (Social Christian Party) congressional bloc, is less constrained to show reserve. He made his concerns known to EL UNIVERSAL (Caracas, 15 December 1981), saying that Cuba's decision to defend the territorial integrity of its new ally threatens to internationalize the dispute between Venezuela and Guyana and to rally the pressure groups that are always quick to support the cause of the Cuban "liberators." Fidel Castro has perfected his means of action and intervention: "I feel that we are on the verge of at least an ideological, if not a military, confrontation." Dr Alvarez Paz mentioned his recent visit to Havana to attend a meeting of Latin American congressmen: "In Cuba, I was very concerned by the apocalyptic view that Fidel Castro and the country's top leaders had of events in the near future. I heard them say that a worldwide confrontation was inevitable in the near future and that it was necessary to prepare for it."

The deployment of Cuban troops in Guyana and the use for military purposes of the Punta de Salinas Airport in Grenada\* north of Venezuela imply that one of the next stages in Cuban expansionism could well be Venezuela, on whose oil-fields the Soviet Union is casting covetous eyes.

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\* Cf. "Grenada, a People's Democracy in Miniature," in EST & OUEST, October 1981.

## FUNCTIONAL COOPERATION CALLED DRIVING FORCE IN CARICOM

Kingston THE SUNDAY GLEANER in English 11 Apr 82 p 92

[Text]

Guyana, the site of the Secretariat, continues to be one of the lynch-pins of the Caribbean Community and the Common Market which are examples to the world showing how sovereign countries could get together and work for the benefit of all. In fact, Caribbean regionalism is the outgrowth of more than 300 years of West Indian kinship — the vagaries of the socio-economic political history of a transplanted people from which is evolving a Caribbean identity.

Undoubtedly, the urgent need of the region is for accelerated economic development against a background of continuing difficulties in the international economic situation. In the region there appears to be a lack of awareness about its resource endowment which includes good agricultural land in most Caricom countries, good livestock potential in some countries, good geographical location in terms of hemispheric and world trade and tourism, good forestry potential, abundant supplies of fish and shrimp off the coast of the mainland territories, as well as some of the islands, bauxite in two countries, limestone and chemical lime for making cement and caustic soda, earth, sands and clay for other building materials and vast hydro-electric potential in one country.

### Functional co-operation

Functional Co-operation is the base of Caricom. An example is the Commonwealth Caribbean Technical Assistance Fund (CCTAF) which is one of a number of important projects which is to benefit from Canadian aid Funds. CCTAF is a scheme which promotes regional self reliance by sharing scarce technical skills among member states. On request to the Secretariat, a member state can obtain from another member state the services of a required expert on a short term basis.

In pursuing functional co-operation, Caricom Health Ministers have been considering recommendations for improving the level of health in the region while a future course of pharmaceutical policy is being mapped out. A centre is to be set up estimated to cost (Cdn) \$900,000 as an Associate Institution of the Community. In the field of agriculture,

regional planners have recommended degree courses in agricultural management, livestock production and agronomy at U.W.I. In education there is the CXC examination, while efforts are being made to develop a definite strategy for the improvement of reading by resource personnel from the Universities in the region, the Ministries of Education and the Jamaica Movement for the Advancement of Literacy (JAMAL).

### Tourism

Tourism is the backbone of many Caribbean economies and the impact of tourism on the economies of the region is being monitored by the Caribbean Tourism Research and Development Centre which has its headquarters in Barbados. Regional industrial programming is a main goal of Caricom but the Secretariat is reported to be moving very cautiously in approaching the issue because "it is a sensitive one". It has been explained that because of the smallness of the Caricom market the question of the establishment of industries throughout the region simply "cannot be left to chance". The garment industry has been cited as an unfortunate

example. The need for better regional transportation was highlighted as being vital to Caribbean integration by Caricom Transport Ministers recently. The performance of WISCO and LIAT was reviewed.

Caricom has proved beneficial to everybody in the region at a time when world economic conditions have damaged many of the economies of the various territories and it is indeed fortunate that the Caribbean Common Market is in existence.

Benefits which have been derived from Caricom include an increase in employment in every Caribbean country while trade between Caricom countries had multiplied nearly two and a half times.

Two developments of particular importance to Caricom are the Caribbean Basin Initiative and the attendance of Caricom leaders at the Commonwealth Conference in Australia where they formed themselves into a caucus for discussions on affairs affecting the region particularly. The Caribbean Basin Initiative was first announced in Nassau by the Foreign Ministers of four aid donor states — the United States of America, Canada, Mexico and Venezuela. Referred to in some quarters as a mini-Marshall Plan, the Caribbean showed its preparedness to negotiate if possible, a

package which would be more responsive to their clearly identified national and regional objectives.

### Basin Plan

It is the expressed feeling of the Caribbean Community that it has a catalytic and initiatory role to play and it set about formulating principles and guidelines and elements of an action plan on the basis of which negotiations with the "Nassau Four" could begin. Both Finance Ministers and Foreign Ministers of Caricom have adopted with some amendments the principles, guidelines and elements of the action Plan and in a comprehensive way prepared the basis for negotiations with the four countries which have suggested the Basin Plan.

Interestingly, the Commonwealth Conference in Australia had spawned a Caricom mini-Summit and the prospects of an overdue full scale meeting of the Regional Heads have since brightened. Antigua has offered to host the Summit. Caricom representation at the Commonwealth Conference not only discussed matters purely domestic to the Caribbean but was deeply interested in the vital economic and political issues of the wider community. Guyana led the discussion on energy while Grenada championed the plight of small island developing states. Jamaica referred to the

crucial question of transferring financial resources from the developed economies to the poor nations of the world.

The presence of the Caricom team in Australia also afforded valuable contacts, both individually and collectively with the delegations of the richer nations. An outstanding example of this type of contact was one in which the Caricom delegation discussed a number of issues with the Prime Minister of Canada, Mr. Pierre Trudeau including the consolidation and expansion of the Canada-Caricom Agreement.

The Commonwealth Conference also adopted a number of positions and recommendations which were promoted by the Caribbean team which in the long run could impact upon the development efforts of member countries of the Caribbean Community and Common Market. Among these were that the richer Commonwealth nations give urgent consideration to the need to increase official development assistance particularly to the least developed or disadvantaged countries and for donor countries to give aid as far as possible in united forms to offset the critical economic situation facing many developing countries. Antigua and Barbuda and Belize are newly independent faces at Caricom.

## VENEZUELAN ENVOY TO JAMAICA DESCRIBES AIMS OF REGIONAL AID

Kingston THE DAILY GLEANER in English 13 Apr 82 p 6

[Text]

The Venezuelan Ambassador, Dr. Pedro Luis Echevarria said last Tuesday that his country's future co-operation with the Caribbean and Central America depended on the creation of a regional, plural and an equitable order eradicating the formation of balance of power.

Addressing the St. Andrew Rotary Club at a luncheon at the Jamaica Pegasus Hotel, New Kingston, Dr. Echevarria said the new order must eradicate hegemonic practices and exclude all attempts to re-colonize the area.

"Our future co-operation in this area of the hemisphere will be conditional to the propitious creation of a regional, pluralist and equitable order in these countries," he said.

The objectives of Venezuela's external aid programme was essentially economic, trying to contribute to the peaceful development of the region. However, he said, the Caribbean and Central America was characterised by difficult development problems which acted as factors of political instability.

The situation had led to a

serious crisis which has become more serious with the presence of foreign interests. These interests, he said, were trying to influence the internal politics of some countries.

#### New order

The Ambassador stressed that the new order must be based on social justice, respect and self-determination. These he described as integral to the creation and institutionalization of democracy and freedom in the region.

"We want the Caribbean nations to join the rest of the continent, and the only way to do this will be by intensifying trade and strengthening links in diverse areas of activity," Dr. Echevarria added.

According to the Ambassador, Venezuela was against the transfer of the East-West confrontation to the geo-political zone of the Caribbean and Central America. As such, he said, that Venezuela is fully backed by the nations which would suffer most from the consequences of a confrontation of superpowers.

Turning to co-operation, he pointed to the financing plan for the purchase of oil started in 1980 by Venezuela to aid the Caribbean and Central American countries. He reiterated Venezuela's belief in the creation of mechanisms to guarantee the nations with scarce resources the right to enjoy material ease and prosperity, the same as industrialized nations.

Bilaterally, Venezuela has given some US\$2,000 million in financial aid between 1973-81. Venezuela has also taken part in multilateral programmes involving the International Monetary Fund, the Inter-American Bank among others. Between 1974 and 1981 over US\$5,000-million has been given as multilateral aid by Venezuela.

The programme of co-operation with the Caribbean was being intensified daily, Dr. Echevarria said. Thus in addition to lines of credit, financing programmes for reciprocal trading, technical assistance and special assistance for balance of payments problems, have been established.



## VARIED REACTION IN CARIBBEAN TO ST LUCIA ELECTION RESULTS

## Charles Congratulations to Compton

Port-of-Spain TRINIDAD GUARDIAN in English 5 May 82 p 7

[Text]

ROSEAU, Tues., (Cana)  
DOMINICA said today that yesterday's landslide election victory by the United Workers' Party (UWP), led by John Compton, came at a time when the people of Saint Lucia were in urgent need of strong leadership.

In a congratulatory message to Compton, Dominica's Prime Minister, Eugenia Charles, said the strong leadership was

required "to surmount the stultifying political upheavals of the recent past."

"We know that with your stewardship, the people of Saint Lucia will look towards the future with confidence and assurance, and will rally boldly behind you and your Government in the difficult task of nation-building," said Miss Charles, the Caribbean's only woman Prime Minister.

## Oilfield Workers' Concern

Port-of-Spain TRINIDAD GUARDIAN in English 5 May 82 p7

[Text]

## SAN FERNANDO:

THE victory of Mr. John Compton's Unified Workers' Party in the St. Lucia general elections on Monday will set back the working class struggle in the island.

This view was expressed yesterday by acting president general of the Oilfields Workers' Trade Union,

## Mr. Errol McLeod.

Mr. Compton's party swept back to power winning 14 of the 17 seats in Parliament.

Mr. McLeod, acting for Mr. George Weekes, who is on a four-week vacation in the United States, said he firmly believed that with Mr. Compton's victory, there would be a greater United States business influence in that country.

Mr. Compton headed the government for 15 years but for the past three years was Opposition Leader.

Port-of-Spain TRINIDAD GUARDIAN in English 5 May 82 p 8

[Text]

WE are truly delighted over the landslide victory of Mr. John Compton in the St. Lucia general election last Monday.

While, on the one hand, it may be regarded as a personal triumph for the former Prime Minister, certainly the best and most able among that quarrelsome coterie who had been aspiring for the island's leadership, the election, on the other hand, also serves to vindicate once again the vital importance of the democratic process in the life and progress of the people of the Caribbean region.

The voice of the people of St. Lucia has been clearly and decisively expressed. Their freedom to do so and their exercise of that freedom are an aspect of our way of life that we must never take for granted, that we must dearly cherish, that we should seek to preserve even at the highest cost.

### FUNDAMENTAL

We make this point early and forcefully because we recognise the fact that this fundamental freedom no longer enjoys unanimous appreciation in the region. In fact, we consider that it is under serious threat. Revolutionary regimes, such as those of Grenada and Suriname, have seized power by force and have entrenched themselves in pursuit of an ideology that is quite alien to the principle and practice of constitutional democracy.

The relevance of the popular ballot was dramatically demonstrated by St. Lucians on Monday. There is no mistaking the will of the electorate in returning Mr. Compton and his United Workers Party to power by a 14 — 3 majority.

Having held power in St. Lucia for 15 years, during which time he led the island into independence, Mr. Compton remains one of the region's most experienced and

sagacious political leaders. And it is clear that in turning back to him so overwhelmingly the voters have repudiated the confusion and turbulence which followed his departure from office and the entry of the Louisy government three years ago.

We hope that the verdict delivered by St. Lucians on Monday would be gracefully accepted by all contenders. The people of St. Lucia have voted for peace and stability for their little island and it is only under these conditions that efforts at economic development can hope to succeed, particularly measures designed to woo investment capital from outside.

St. Lucia is too small and too much in need to afford the luxury of an unstable political climate and the continual foment of egotistical politicians.

### DISAPPOINTMENTS

We expect that such defeated candidates as Mr. Peter Josie, Mr. George Odum and interim Prime Minister Mr. Michael Pilgrim would set the interest and development of St. Lucia above their individual disappointments and seek now to co-operate with the newly elected Government in launching a new and more progressive era for the island.

We look forward once again to having Mr. Compton's sober contributions to the councils of the region, another respected voice speaking for the lesser developed territories.

Mr. Compton, of course, must feel satisfied at the extent of the vindication of his personal integrity and political acumen and honesty. In victory, he should resist any temptation to be petty, not that this has ever been a trait of his, and he must contain the exuberance of his followers, channelling their energies to the task of improving the country's ailing economy.

## Tannis Telegram

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 82 p 8

[Text]

KINGSTON, Wed., (Cana)

ACTING Prime Minister of St. Vincent and the Grenadines, Hudson Tannis, has said that the resounding mandate given to the Saint Lucia United Worker's Party (UWP) in last Monday's general election was another plus for the democratic process in the Caribbean.

Mr. Tannis, in a telegram sent to UWP Leader, John Compton, said the mandate offered the UWP Government the opportunity to continue its programme for the economic well-being of Saint Lucia and the region in general.

UWP won 14 of the 17 seats in the Saint Lucia Legislature to defeat the Saint Lucia Labour Party, headed by former Foreign Affairs Minister, Peter Josie, and the left-leaning Progressive Labour Party of George Odum.

Tannis, who is Foreign Affairs Minister, referred to fears before and during the election campaign that the

results might have renewed political turmoil in Saint Lucia. He said the fact that such had not materialised, showed the degree of the maturity of the party leaders and the electorate.

### CLEAR MANDATE

He said: "The democratic process came through very strong in a clear mandate for a Government to govern in a strong way."

St. Vincent and the Grenadines was looking forward to maintaining, deepening and strengthening the many ties which bound the two States.

CSO: 3025/276

## LABOR GROUPS DECLARE SOLIDARITY WITH LIBERATION STRUGGLES

Havana TRABAJADORES in Spanish 4 May 82 p 1

[Article by Jorge Rivas Rodriguez]

[Text] Labor union delegations from all over the world condemn U.S. interventionist policy during the International Labor Union Conference on Solidarity held at National CTC headquarters.

An energetic declaration of solidarity with peoples' liberation struggles and condemnation of Yankee imperialist interference and provocations in Central America and the Caribbean was approved yesterday by union leaders from various countries who were in this capital, having been invited by the National CTC [Central Organization of Cuban Trade Unions] to participate in the First of May festivities.

At the close of an international solidarity union meeting held yesterday at Workers Hall in Havana, representatives of the worker movement from different parts of the world unanimously supported the proposal made by the Latin American Workers Permanent Congress for Trade Union Unity (CPUSTAL) to condemn the Reagan administration's policy, which threatens the revolutions of Nicaragua, Grenada and Cuba, and its interference in the struggles for liberation of the peoples of El Salvador and Guatemala.

Jesus Escandell, a member of the National CTC Executive Secretariat, was responsible for the opening statements of the meeting, at which time he referred to American imperialist hostilities and threats against the revolutionary processes in Latin America and the Caribbean.

During the meeting, organized by the CTC, Salvador Cayetano Carpio of the Farabundo Marti National Liberation Front (FMLN) high command and Eduardo Calle, vice president of the Salvadoran Revolutionary Democratic Front (FDR) requested international solidarity with the just struggle that Central American brother nation is waging.

Both reaffirmed that the Salvadoran workers, who they described as the soul of the revolution, are fighting along with the farmers and all of the people to crush their country's genocidal and fascist junta and destroy imperialist designs on it there. "We ask you for solidarity," Cayetano Carpio said,

"and we are convinced that we will carry out this great historic mission."

Then he expressed his admiration for the extraordinary revolutionary organization and fighting spirit manifested by the people of Cuba in last First of May's Fighting March and stressed the difference between the present festivities for "World Proletariat Day" in our country and the ones he attended here in 1950, when he was invited to attend the ceremony that was held in the old Hill Stadium under the military repression of the then proimperialist government.

Other speeches by union leaders from over 20 Latin American, Asian, African and European countries were given during the meeting that expressed the solidarity of the international working class with the struggles of the peoples of El Salvador, Nicaragua, Grenada, Guatemala and Cuba.

Antonio Lopez Lamas, the chief of the Latin American Department of the WFTU, emphasized that "in the context of the celebration of the First of May in Cuba, we are assembled here to express our solidarity with the unions and peoples of the Americas and the world and to once again demonstrate the role workers and their organizations play in imposing peace and the self-determination of nations on the world of today, filled as it is with imperialist threats."

In his speech, the head of the WFTU denounced American President Reagan's decision to grant the CIA \$19 million to organize acts of sabotage and terrorism inside Nicaragua and to create a "mini-Marshall" plan for Central America and the Caribbean by means of which the United States has made \$500 million available to strengthen the fascist regimes in the area. He also condemned the "Safe Pass" maneuvers of the NATO forces in the Gulf of Mexico.

The International Trade Union Conference on Solidarity was also presided over by Luis Martell, a member of the National Secretariat of the CTC and the party Central Committee, Agapito Figueroa, the second secretary of that labor organization and other members of the executive staff of the CTC.

11,466

CSO: 3010/1544

## NICARAGUAN CANE CUTTERS WELCOMED IN CIEGO DE AVILA

Havana TRABAJADORES in Spanish 19 Apr 82 p 1

[Text] AIN—Rafael Valdes Valdes, the first secretary of the party in Ciego de Avila and a member of the Central Committee, has welcomed the Camilo Ortega Cane Cutters Brigade of Nicaragua, which will participate in cane cutting operations for several days in this province.

The presence of this collective in the region is due to an exchange of experiences program initiated last year between workers from Ciego de Avila and Sandino's homeland involved in cane harvesting.

With the same objective there is a Ciego de Avila brigade in Nicaragua, composed of high-production cane cutters from the Jesus Suarez Gayol Labor Column.

Valdes Valdes underlined the importance of this kind of relations between Avila residents and Nicaraguans and reiterated that this tradition would be maintained annually as one more sample of the deep friendship and solidarity the people of Cuba feel toward the Sandinists.

He wished them success and a pleasant stay, which will also include their participation in the cane harvest, tours of production, educational and service centers and meetings with mass organization representatives.

The head of the collective, Rafael Santana, said that the presence of the 30 cane cutters from Nicaragua in Cuba would provide them with valuable experience and they could also evaluate the advances of the Cuban Revolution on different fronts.

Among others, Dimaris Aquino Diaz, the secretary general of the CTC [Central Organization of Cuban Trade Unions] in Ciego de Avila and a member of the Central Committee, members of the party provincial bureau and leaders of the mass organizations and the UJC [Union of Young Communists] attended the reception.

11,466

CSO: 3010/1544

## CAMILION ADVISES CLEAR THINKING ON FALKLANDS DISPUTE

Rio de Janeiro MANCHETE in Portuguese 1 May 82 pp 12-16

[Text of interview with Oscar Camilion, former minister of foreign affairs, by Alexandre Garcia, date and place not given]

[Text] Oscar Camilion was Argentina's ambassador to Brazil for almost 5 years during the Videla administration. As ambassador, the former editor-in-chief of the morning daily CLARIN was a key figure in the rapprochement between the two countries, including the settlement of their differences on the use of the Parana River. During the Viola administration which succeeded that of Videla, Camilion was called to Buenos Aires as minister of foreign relations. Now he devotes his time to politics, and is traveling around the country "in a hurry, because many things are going to happen on the domestic front and we must be prepared."

Camilion is one of the clearest-thinking analysts of the situation in Argentina and in the South Atlantic. With his experience, knowledge of the issues and analytical mind, the former foreign minister set forth clearly for MANCHETE what actually happened, is happening and could happen.

[Question] As former minister and as an Argentine, what experience have you had in connection with the Malvinas?

[Answer] In Argentina, there is no room for discussion on the Malvinas. The little islands to the far south, in the Beagle Channel, which we dispute with Chile, are not very close to the heart of the people.

When it comes to the Malvinas, however, from primary school on, for decades and decades, we have taught our children that they belong to Argentina, and how Fernando de Noronha was occupied by the English. Although it was a negotiable issue, the English have never really taken it up seriously because they always thought the Malvinas were not important. The islands are not strategically vital; they are not important from an economic standpoint. The islands have never been at the center of London's concerns.

The islands were considered a boring issue. One fine day, [the English] agreed to bilateral negotiations. There was a serious crisis during the administration of Isabelita, and for 2 years the embassies were vacant. The issue was heating up.

When the English lost Rhodesia and Belize, the issue began to chafe. As foreign minister, I declared in the United Nations that "Argentina cannot allow the Malvinas to be the last British colony." I discussed it for an hour with Lord Carrington (the British foreign secretary, who resigned over the invasion of the Malvinas) and I could see that he was bored by talk about the islands. So it came to this. There came a military president and a navy commander who discovered that the shortest distance between two points is a straight line, and they drew it. Imagine saying to a politician like Magalhaes Pinto that the shortest path is a straight line.... Well, they carried out a good operation--from a military standpoint. They did not spill English blood because they were willing to accept casualties to make up for the fact that the operation was outside the international rules of the game and this called for a little chivalry.

The next day, no one believed what had happened, and few people thought about the risks and costs of the operation. There was a wave of happiness. The military won points for what they had done. Incidentally, the popularity of the Armed Forces soared. The problem is that the success of the Malvinas operation did not carry over to the institutional, social and economic areas of Argentine policy. On the other hand, there was a political-partisan rapprochement with the government. There was a thaw, and it was hoped that the thaw would mean a return to the starting point, in mid-field, for the rebirth of the party. Suddenly, the opposition was going to the Casa Rosada. Even the Peronist left, the leaders most detested by the military and who most detest the military, were fraternizing with the government, and some of them are now on official missions, explaining the Argentine cause to other countries.

[Question] And after this moment of fraternization, what could happen next?

[Answer] Well, there were union leaders who were released from prison in honor of the inauguration of the military governor of the Malvinas. On 30 March, there had been a popular rally in the Plaza de Mayo, which demonstrated that the government did not have the strength to continue. The military government was up against the wall. There were repressions and arrests. But the jails were opened and on Holy Saturday they were all back in the Plaza de Mayo deliriously cheering the government. In another 15 days, they will return to the Plaza de Mayo with their demands, and who will be able to drive them away? For this reason, I think we are seeing an acceleration of the Argentine process, provoked by the Malvinas issue. Nothing will ever be the same. The people are intelligent and they know that the Malvinas are nice but that unemployment continues, that inflation will get worse, that the Malvinas mean an expense and not profit and that there is a price to pay for all this, maybe a military price--technically, we are at war; there is a blockade and any ships entering the area will be sunk.

[Question] What chance is there of an honorable way out?



[Answer] This is a curious war. There is no hatred between the parties involved. Neither is threatening the survival of the other. But, given the facts, it is a most difficult situation. How does one begin a negotiation that will restore the British honor and does not sanction the means Argentina used, which were outside the rules of the game? Now it is important to know what to bring to the negotiating table that would allow both parties to save face. We have reached a very critical point, and anyone who thinks that states settle their disputes rationally is fooling himself. Today it is impossible to predict where the crisis will lead. So much so that it has already led Argentina into a weird tactical alliance with the Soviets, based on a rule of military policy: "The enemy of my enemy is my friend." When you set out to take on a stronger rival, you accept help from someone stronger, to correct the balance. It is absolutely clear that Argentina and the Soviet Union have come closer together and, incredibly, this has already extended to the Argentine people, who are viscerally anticommunist. Anyone who doubts it should have been at the game between the Soviet and Argentine all-star teams, when the Soviet anthem was deliriously applauded by the crowd--and the applause would have been even greater if the Soviets had been smart enough to come on the field carrying the Argentine flag.

#### Risks of Internationalization

[Question] Then there is a risk that the conflict will be internationalized?

[Answer] The crisis is deepening and there is a risk of internationalization. It is there now. A fleet from a stronger nation is approaching, a fleet that even has nuclear submarines maintaining a blockade. While Haig was attending Easter mass at the Church of the Holy Trinity, the Soviet ambassador was meeting with the secretary general of foreign relations in the chancellery--this in the Argentina of Galtieri! We must do some careful thinking to avoid developments that could bring new problems. I have the impression that things are being improvised under the pressure of events. The Cuban ambassador returned so hastily that he forgot to ask permission to pass through Brazilian air space. And there are the improbable adventures in dialectic. The Malvinas issue is clear, but it is only one of the nation's problems, just as for Mrs Thatcher, the Malvinas problem is important, but so is NATO. It appears that no one has stopped to think, to examine the problem, reduce it to its actual dimensions and then work on it--because it is a matter of a little problem of decolonization, on one side, and a little problem of dealing with a small British community (like so many others in Argentina), on the other side. But the thing is to arrive at acceptable terms that will save the skin of the two governments.

[Question] Is the Galtieri government threatened?

[Answer] The government has managed to fatten up its popular and military bases, but if it does not satisfy these bases it will have problems. Galtieri has crossed the Rubicon and now he must demonstrate that he is Caesar--and he has to keep in mind the various aspects involved, including the financial aspect. I do not know if the English of today are good at maintaining a naval blockade, but they are certainly good at mounting a financial blockade. Argentina has foreign debts and could be put in a situation of insolvency such as Zaire, Turkey and Poland have experienced. Paradoxically, we have a finance minister--Doctor Aleman--who is the most orthodox of the orthodox, several degrees to the

right of Eugenio Gudín, and up to now the president who brought the people to the Plaza de Mayo has maintained an inflationary economic policy, an unpopular policy, inappropriate for a country on the brink of war, because a country on the brink of war does not weaken its industry.

[Question] Regarding military action, how could it develop?

[Answer] If Argentina can hold the Malvinas, it will be easier to come to an agreement with Chile on the Beagle Channel, because we would be satisfied with a more important position in the south. If we have to give up the Malvinas, the wheel will start to spin and, as you know, Russian roulette is very dangerous.

[Question] What if the English land on the Georgias?

[Answer] The Georgias are important; they have the krill (crustaceans rich in proteins) and Argentina will fight to keep them. But they are indefensible. Otherwise, the Georgias and the Sandwich Islands only come into this because the English consider them to be dependencies of the Falklands. In school, we did not hear about the Georgias or the Sandwich Islands or the Beagle islets--just the Argentine Malvinas.

[Question] How would you assess the psycho-social state of the nation today?

[Answer] One of concern. Concerned reflection. The time has come for reflection. It would be a serious mistake to think that all the Argentines were leaping for joy in the Plaza de Mayo. We were all happy, but many people have been thoughtful from the first day. Now the time has come for serious thinking, because the Malvinas problem is not settled. It has only just begun, and it is spilling over into other areas: diplomatic, perhaps military, and certainly economic.

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CSO: 3001/135

## VANGUARD PARTY DECIDES TO PARTICIPATE IN ELECTION

Nassau THE TRIBUNE in English 28 Apr 82 p 1

[Text]

THE VANGUARD Party will participate in this year's general elections whenever it is called, secretary-general Charles Fawkes confirmed today.

And, in keeping with its practice of holding annual agitational spring/summer campaigns, will commence a series of public meetings the first week of May.

The party, although on an election footing, is carrying out its normal programmes of intense community work, Fawkes said. This includes the party's public lecture series, cadre training and the activities of the party's youth and women's organisations.

"The Vanguard Party is proceeding in this manner because it is a new type of party," Fawkes said. "It is a party that does not just come alive at election time, like the PLP and FNM. As a socialist party, there are set programmes that must be carried out on a daily basis."

Until the emergence of the Vanguard, Fawkes noted, people were accustomed to seeing a political party, its members and leaders active only at election time — once every five years.

In between elections, the elected politicians or party officials are never seen among the people and the party becomes more or less inactive. This, Fawkes said, is the record of the PLP and FNM.

"On the other hand, the Vanguard Party remains active all year round responding to

the political needs of the workers who are constantly under pressure," Fawkes said. "The Vanguard Party, along with the people, has over the last four months watched the FNM whose leaders go into hiding for four and a half years and come to the people for six months hoping to hoodwink the people into electing them."

"We have also watched the corrupt PLP trying to reposition itself as a progressive force although it is in practice as conservative as the FNM. The FNM has resorted to asking the people to help them change the PLP for themselves, because their programme is devoid of any difference in any thing the PLP is doing in practices."

"Therefore, the people must assume that the FNMs are tired of changing their name and leaders by themselves, and is now asking the people to help them change their leaders and name one more time," Fawkes said.

The PLP who asked the people to 'Handle it' in 1977 and then went on to 'handle it' for themselves for five years, Fawkes said, are asking the people to 'Step now' when in essence the PLP is gearing itself to 'step now' on the workers one more time and grind them further in the dust.

The Vanguard Party on the other hand, is offering a new programme, a new philosophy, a new direction and leadership will be urging the people to 'Bring in the new in '82', Fawkes said, and in that way

the party hopes to deal with "that piece of vicious propaganda that enemies of the people spread about the Vanguard Party that socialism can never be brought into being by elections, for all socialist governments have come to power by means of the bullet."

"History shows that when a people are tired of their oppressors, they get rid of them by whatever means they consider necessary," Fawkes said. "However, the charge that socialism has only come to power by means of the bullet is patently false."

Even before the latest major socialist electoral victories in France and Greece, Fawkes said, in the 1950's in British Guiana (now the Republic of Guyana), and in the early 1970's in Chile, socialist governments, or governments of the left, were elected to office.

"In both cases these elected governments were illegally removed, through the convenience of the imperialist countries, with the people of privilege in both societies, who had been soundly rejected at the polls by the masses," Fawkes said.

The Vanguard party, Fawkes said, is prepared to use the electoral process in this country, for despite its obvious defects, this is the means by which most Bahamians see the bitter class struggles and societal problems that characterise the society as being mediated and resolved.

CSO: 3025/277

## HOUSE REPORT ON INFLUENCE PEDDLING CHARGE IS SUMMARIZED

Nassau THE TRIBUNE in English 27 Apr 82 pp 1, 10

[Text] - ON PAGES 7 and 8 today The Tribune continues publication of the House of Assembly select committee's report on its investigation into charges of peddling of political influence for personal profit. The report was read in the House on April 21.

Today's evidence deals with the confidential meeting in Manila between Abe Lieber, majority shareholder and chairman of the Amford Bank and Trust Company, Ltd, and Amherst International Ltd, and Everett Bannister, chairman of the Board and majority shareholder in Bahamas World (1974) Ltd.

Sixteen days after this meeting between Lieber and Bannister, lawyer Jack Duffus was instructed by Prime Minister Pindling to prepare an Agreement for Sale for the Pindling's Skyline Drive home to Lieber's Whitfield Corporation for \$650,000.

Although the committee found nothing extraordinary about the sale, they did find it "difficult to comprehend or accept Mr Jack Duffus' reasoning and rationale for not stamping and recording these documents." It is customary for conveyances and mortgages

to be stamped and recorded.

Yesterday The Tribune published the first 20 pages of the report, which dealt with the August 3, 1979 agreement between Bannister and Dr Wolfgang Lipps in connection with the operation of a disco company from which Bannister was to receive 10% of the net profits with a minimum guaranteed annual payment of \$40,000 payable in monthly instalments.

One of the terms of the agreement was that neither Bannister nor Lipps would "disclose the existence of the agreement either during or after its existence."

Although Bannister denied signing the document, the committee, after hearing the evidence of expert Questioned Document Examiners, concluded that the signature and initials "E B" on the confidential agreement were those of Bannister.

The committee said that although they were "unable to determine conclusively whether any influence peddling was involved in the relationship" between Bannister and Lieber, "commonsense dictates" that Lieber "must have assumed or

was lead to believe" that Bannister "could or would assist in some way in obtaining necessary governmental approvals."

However, the committee found no evidence that Bannister tried to influence government in approving any of the projects, but "even if he did there is no evidence as to any approval or permission from the Bahamas Government."

The committee also found that Bannister's airline obtained a loan in excess of \$1 million from the Lieber Group. The loan has not been repaid "either as to any principal sum or interest."

The committee concluded: "Mr Bannister is obviously a very persuasive person who has been able to obtain loans from various entities under circumstances and for amounts that are simply amazing and inconsistent with known, usual business practices, for making such loans. Indeed Mr Bannister said that the (Victor) Sayyah Group agreed to inject \$2.6 million into Bahamas World without even seeing a Balance Sheet."

## ELECTION SET FOR 10 JUNE; PARTY LEADERS SPEAK OUT

## Pindling, Hanna Remarks

Nassau THE TRIBUNE In English 29 Apr 82 p 1

[Article by Athena Damianos]

[Text]

BAHAMIAN will go to the polls on June 10, it was announced after yesterday afternoon's dissolution of Parliament.

The official proclamation was read aloud at 5pm on the steps of the Supreme Court by Provost Marshal Commissioner of Police Gerald Bartlett.

A small crowd of mainly policemen, the Deputy Prime Minister and PLP MPs Hubert Ingraham and James Moultrie were the only ones on hand to hear the proclamation which was ordered by the Governor-General on the advice of the Prime Minister.

Upon returning to the Churchill Building Deputy Prime Minister Arthur Hanna was embraced by a number of cheering women employees. The news of the election raced across Nassau like wildfire and election fever was on.

It was announced that nominations have been set for May 6 (next Thursday) and that the new Parliament will meet on August 10 at 10.30 am.

In a special bulletin at 6 pm, Prime Minister Pindling went on national radio to issue a plea for no violence during the election campaign.

Mr Pindling, who has called the election three months before his deadline, said he addressed the nation "on the

importance of your participation in the democratic process of choosing the political party which you wish to govern the Bahamas for the next five years."

He invited the public to participate in the process fully, "and to encourage others to do so in an orderly and peaceful manner."

"The next five years will be an important time in the history of our new nation and all of us have a duty to exercise our right to vote with judgment and responsibility," Mr Pindling said.

"I hope that these General Elections will be conducted in a fashion which will continue to enhance the reputation of the Bahamas. I trust that they will be a model and example of democracy at work, peacefully and without violence.

"My fellow Bahamians," said Mr Pindling, "the future of our country is now in your hands."

In an impromptu interview on the steps of the Churchill Building, the Deputy Prime Minister said "there is absolutely no doubt that we'll win the election because of the confidence that we've achieved through good service to the Bahamian people.

"The Opposition, if they get any seats at all, will get very little," he said.

It was Mr Hanna's view that

the PLP had not lost popularity as a result of recent industrial unrest because the workers "were fighting for legitimate pursuits" that had nothing to do with politics.

He said trade union leaders and their members had no wish to associate themselves with the FNM - whom they did not trust - and would support the PLP.

Mr Hanna also said the FNM's biggest mistake "is to have fought to have dissolved the SDP which, in fact, could have won more votes than they could."

It is felt that Mr Pindling has called an early election to capitalize on the momentum of the Peoples Conference at Windsor Park. The election will follow cries by the FNM to dissolve Parliament so that the public - caught in the midst of burning issues - could have an opportunity to choose a new Government.

During the last general elections, many Opposition voters were torn with voting between the FNM and BDP - later the SDP.

This election will see more one-on-one contests than ever before, with only the Vanguard and Workers Party contesting a few New Providence districts.

Mr Pindling, therefore, faces his toughest election since coming to power in 1967, as he

has always faced a divided Opposition. The FNM will contest all but one of the 43 seats while fully supporting Norman Solomon's fight for re-election in St John's as an Independent. He was the SDP leader.

In the last election the PLP won 31 of 38 Parliamentary seats. This time the winning party must win 22 seats to gain the government. However, if the two parties were split 22 to 21 seats and the majority party named one of its members as Speaker of the House, then the two parties would be equally divided, (21-21), virtually bringing effective government to a standstill. Therefore, to be effective, a winning party must gain 23 seats.

In the last general election there were 20 seats in New Providence and 18 in the Family Islands. This time there will be 23 seats in New Providence with the creation of three new constituencies - Yamacraw, Holy Cross and Blue Hills - and 20 in the islands with two new seats, Marco City in Grand Bahama and Bimini and the Berry Islands.

The issues in the election will be very much bread and butter issues - unemployment, cost of living, rising crime and a sluggish economy.

### Voter Registration

Nassau THE TRIBUNE in English 29 Apr 82 p 1

[Text]

**URGING** the Bahamian electorate to display "dignity and restraint" as campaign for the June 10 elections gets underway, Free National Movement leader Kendal Isaacs assured supporters that "our election machinery is in place and all the lights are green."

"I cannot say that my colleagues and I have been caught by surprise," Mr Isaacs said. "To the contrary, the dissolution has come not a moment too soon. We have

been ready and waiting.

"Now we will put our machinery into full gear and intensify the campaign which will, God willing, bring us victory on June 10, 1982."

The dissolution of Parliament, he said, had left one important outstanding matter on the Parliamentary agenda and that has to do with the Bannister Affair.

The committee appointed to investigate certain allegations involving Everette Bannister and reflecting on Prime Minister Lynden Pindling, he

noted, has reported to the House. (See continuation of report on pages 6 and 7).

"We are not concerned that this matter was not debated prior to the dissolution," Mr Isaacs said. "It will now be debated before the final political court of appeal - the voters.

"While the Bannister Affair is an important issue, it is one of a list of important issues upon which the people have to pass judgment. Other vital issues are unemployment, crime, corruption, victimisation, waste of the taxpayer's money and so on." The main reason for the massive unemployment and rampant crime, Mr Isaacs said, "is the Government's mismanagement of the economy. When the economy fails, unemployment follows and when there is massive unemployment, there is rampant crime. We will, of

course, be dealing with all these matters in the course of the campaign."

Mr Isaacs said he and his colleagues are fully committed to campaigning "vigorously and with respect for our democratic traditions and the Bahamian sense of fairplay. I urge all our workers, friends and supporters, indeed the Bahamian people, to conduct ourselves with dignity and restraint."

"I pray God that none of us will yield to temptation of violence and other unseemly behaviour remembering that we are working in the interest of our country and that violence will do us no good.

"At the end of the campaign, whatever the results, all of us should be able to look back with pride on our performance and forward to a future of peace and goodwill among all of our Bahamian family," said Mr Isaacs.

#### FNM Reaction

Nassau THE TRIBUNE in English 29 Apr 82 pp 1, 12

[Text]

WRITS OF ELECTION were being prepared today by the Parliamentary Registrar's Office for gazetting tomorrow and The Tribune learned that approximately 82,000 voters will be eligible to vote in the June 10 election.

Final figures were not available from Registrar E W Davis today, but will be published "sometime next week."

BIS chief Cyril Stevenson said that only those persons who have registered up to March 31, 1982 will be eligible to vote in the election, and anyone registered during this month will not be permitted to vote.

It is understood that an estimated 1700 people were registered in April.

The Parliamentary Registrar is presently preparing the Election Register for the country which has to be published before the Nomination Day, scheduled for Thursday, May 6.

In the last general election in July 1977 there was a total of 72,309 registered to vote, of which a total of 64,291 eventually went to the polls - a turnout of 88.9 per cent of the electorate.

CSO: 3025/277



## RESIGNATIONS REFLECT TROUBLE IN MINISTRY OF TOURISM

Nassau THE TRIBUNE in English 27 Apr 82 p 1

[Article by Athena Damianos]

[Text]

**MAJOR personality conflicts are reportedly rocking the Ministry of Tourism with the resignation of two officials and other staff since the beginning of the year.**

With tourism still in the doldrums, The Tribune was told that morale at the Ministry is "at an all-time low" and that many people would like to leave.

"Morale is extremely low and everybody's miserable," a tourism source said. "Dozens of people would like to leave, but the job market is extremely tight." The source said that a number of staffers have applied for jobs at the new Grand Hotel.

The source also claimed that a certain official "is living beyond the Ministry's means," especially when travelling abroad.

"If the Prime Minister wants to do something, he should come in and check the salaries at the Ministry," the source said.

The Tribune was also told that a Ministry official has some of his relatives working for the Ministry. The source claims that some of them are being promoted over more qualified staff.

"It's extremely miserable,"

the source said. "Everybody is angry enough around here to do something about it."

The source said the discontent is over low salaries for some and the fact that families of some executives are brought in and given preferential treatment.

The source also said that since the discovery that the Ministry had overspent on its 1980 budget by \$3 million, the Ministry of Finance has been keeping a tight check on tourism expenditure. The source said this has created "tension" within the Ministry.

Since the beginning of the year, three important people have left the Ministry with rumours that other resignations will follow.

The first person to leave was Vincent Vanderpool Wallace, the assistant general manager of marketing. Mr Wallace, who many people in the industry feel is a talented, hard worker, left the Ministry in January to join Resorts International.

Craig Clarke, who was only recently promoted senior marketing executive, left the Ministry this month to work in the sales department of the Britannia Beach Hotel. The source said that Mr Clarke

should have been promoted last year, but was passed over in favour of somebody else.

Ann Pratt, who was described as a "good secretary," also left the Ministry this month to work at the Grand Hotel.

Meanwhile, The Tribune understands that the Ministry is still reeling from its \$3 million budget "overspend" in 1980.

Last October, The Tribune published part of an inter-office memo addressed to, Tourism director-general Baltron Bethel, showing a \$3 million plus deficit in the 1980 budget and warning of "major problems looming ahead."

Almost a year earlier, the Social Democratic Party in the House of Assembly accused the Ministry of overspending by \$3 million. The Minister, Livingston Coakley, responded to the charges by calling them "a lie."

Mr Coakley then predicted that over-expenditure would be in the region of \$600,000-\$700,000. "And I am being very generous," he said. "I am told that it would be a smaller figure."

But when the Budget for 1982 was tabled in December, it was discovered that the Ministry had overspent by about \$3 million.

## FNM ATTACKS PINDLING ON UNEMPLOYMENT, TOURISM ISSUES

Nassau THE TRIBUNE in English 26 Apr 82 pp 1, 12

[Text]

THE SHIFT should be away from unemployment, not tourism, the Free National Movement told the Government today.

The Opposition party statement came after Prime Minister Pindling, during his so-called university lecture at Windsor Park last week, said that there had to be a shift away from employment in the hospitality industry. "It seems that something very dangerous is being conjured up in the mind of Prime Minister L O Pindling and his colleagues in the PLP," said the FNM release.

"The Free National Movement is fully committed to the development of craft and industry in the Bahamian economy as a means of providing further employment and import substitution as well as export," said the FNM.

The FNM does not believe, however, that this should be at the expense of tourism, "our economic mainstay, and banking. Properly managed tourism can continue to provide prosperity for a majority of our people and can be the base of support for local industry. It has in the past brought us a standard of living which was the envy of others in this region," the release said.

"There are enough people unemployed in this country — and thousands more potential workers in our schools — to man any industrial development in the foreseeable future.

"We say the shift should be away from unemployment, not tourism. Tourism can continue to provide expanding opportunities for Bahamians at all levels including top

management. Tourism can also continue to be our steady means of earning foreign exchange.

"If tourism is abandoned, then industry based on local consumption will also collapse. Mr Pindling should have explained this at his mock university.

"This peculiar statement by Mr Pindling must have germinated from some kind of thinking. After borrowing millions of dollars to invest in the tourist business, does Mr Pindling intend to scrap it all as if the hotels purchased and being built were so many cement boats?

"Already, one of the Government hotels under renovation for several years now appears to have been abandoned as a project. A financial report on the Hotel Corporation revealed that \$14 million had been spent to the end of 1980. We understand that the figure at the end of 1981 was nearer \$20 million. Yet the hotel is not finished and the Government is reportedly trying to find someone to take it off their hands.

"Millions of borrowed money is being invested in the Cable Beach Hotel and Mr Pindling should have told the people in this industry to prepare themselves to provide excellent service and to occupy the lucrative top echelons of hotel management in the country.

"Why did he not teach his students in this manner? Has he already given up his chances for its success or are Filipinos to be involved in the management as they are in the construction?" the FNM release asked.

## BRIEFS

HOTEL CLOSING--The Grand Bahama Hotel and Country Club in West End, Grand Bahama "will be closed for an indefinite period of time" effective May 2, a press conference was told this morning. The hotel lost over \$5 million last year. In a general letter, Mr Ray Ballard, vice president of the Jack Tar enterprises said the closure is due to the "severe economic problems and financial condition of the hotel. While the hotel has never made money, the increased losses and decrease in the occupancy in the last year have resulted in a \$5.3 million loss for fiscal year 1981," Mr Ballard said in his letter. "Additionally, the anticipated losses for the six-month period May to October 1982 are projected to exceed the \$3.3 million losses for the May/October 1981 period." The 500-room Grand Bahama Hotel once employed more than 600 persons, most of whom resided in Eight Mile Rock and West End. [Excerpt] [Nassau THE TRIBUNE in English 28 Apr 82 p 1]

CSO: 3025/277

## ADAMS ANNOUNCES RELAXATION OF FISCAL, MONETARY MEASURES

FL142218 Bridgetown CANA in English 2207 GMT 14 May 82

[Text] Bridgetown, Barbados, 14 May (CANA)--Late this year or early next year Barbados might relax tight fiscal and monetary measures it took to check the decline of the economy, Prime Minister Tom Adams has said.

The NATION newspaper quoted Mr Adams as saying: "Barbadians can expect to have the tight fiscal and monetary restrictions relaxed in 1983 or before."

Last year the Barbados Government placed curbs on consumer credit, increased taxes, and started scaling down its expenditure.

The measures continued this year after the government reported a 2.6 percent economic decline last year when the sugar industry, manufacturing and tourism performed below its expectation.

The government said recession in its major trading and tourist-providing countries was largely responsible for the decline.

The Central Bank of Barbados said this month: "As long as world recession adversely affects our tourism and manufacturing sectors and as long as... sugar prices remain weak on the world market, the immediate prospect is for little or no increase in output and foreign exchange earnings."

Talking to the press in New York, Mr Adams said he was trying to make sure that Barbados was in a position in late 1982 or early 1983, when economic conditions improved overseas, to start surging forward again.

"What we are trying to do now is to keep the economy in such a stance that immediately there is a recovery overseas, we will see a sharp recovery in Barbados," he said.

"In other words, we are not playing the stop-go economic game that has done so much damage, for example, to Britain 10 to 15 years ago and which did a great deal of damage to Barbados in 1974 and 1975."

CSO: 3025/1108

## WORKERS IN MILITANT MOOD FOR MAY DAY CELEBRATION

## Walcott Rally Speech

Bridgetown SUNDAY SUN in English 2 May 82 p 1

[Article by Arthur Gay]

[Text]

**STATING that the workers in Barbados were not for sale, General-Secretary Frank Walcott yesterday rejected suggestions that his Barbados Workers' Union (BWU) was neglecting its members.**

**He told the May Day rally at Mangrove:**

"We are not on trial. We have to let the people know what we stand for. We are not going to make peace for the sake of making peace."

And in an obvious reference to the year-old Barbados Industrial and General Workers' Union (BIGWU), which has been challenging the BWU in recent months, Walcott declared:

"We the workers of Barbados have to join together to put everybody else in their place. We have seen nuisances in trades unions before."

In an address punctuated by enthusiastic applause, the veteran BWU leader castigated the Government, certain sections of the media, especially the state-owned Caribbean Broadcasting Corporation (CBC) for its failure to cover the May Day sermon earlier by Methodist Priest, Allan Kirton.

But a numerical count of heads did not reveal the enthusiasm of previous May Day celebrations. When Walcott spoke, there were no more than 2500 persons present although by the time he had finished, the numbers had swelled to about 5000.

Walcott, who has been general secretary of the BWU for all but seven of its near 41-year history, said there was an attempt to discredit his union. But he pointed out that the BWU had taken part in many disputes over the years, which was evidence of its concern for the workers of this country.

He reminded the rally of the David Giles dispute with the

Telephone Company last year, and described the industrial action taken as the union's "biggest strike".

He also recalled that the union had settled the sugar dispute of 1982 to the benefit of the sugar workers.

"We told them we wanted a share on behalf of the sugar workers ... but when they offered us four million dollars, we insisted on \$15 million. The Government finally settled for \$10 million," the BWU leader said.

He added: "We have to negotiate on behalf of the workers, but there are certain people trying to divide the nation. We don't take on nuisances."

Walcott welcomed the remarks by Reverend Kirton during the divine service to open the May Day celebrations. But he added: "We must insist that anybody who tries to divide the workers cannot be working on behalf of the workers. Do not ask us to sit down and shake hands with anybody ... with people

who do not represent anybody . . .

"It is part of a wider plot and we will not be lured into any dragnet. We plan for today and for the future."

Walcott also stressed that his union stood by the principle of unity, and that it stood by the

motto that "unity is strength".

"We have had to build from scratch. We were brought up in weakness and poverty. We only became strong when the workers had confidence in us and in the collective bargaining strength of the union," Walcott declared.

### Conspiracy Against Workers

Bridgetown SUNDAY SUN in English 2 May 82 p 1

[Text]

SECRETARY-General of the Caribbean Conference of Labour, Burns Bonadie, told yesterday's May Day rally that there was a conspiracy of several persons and organisations to discredit the Barbados Workers Union.

Said Bonadie: "They (the BWU) have brought workers from the doldrums to where they are today. And, now, certain 'fly-by-night' persons are trying to disrupt what they have done."

Bonadie said that the country was safe because of the BWU. He expressed the opinion, also, that there was a great measure of justice (in industrial relations) because of the BWU and commended the country for its industrial stability.

"We have to be very careful about people who do not like the Barbados Workers' Union . . . people who do not like Frank Walcott, Evelyn Greaves and Leroy Trotman."

Bonadie warned the audience that they were in for hard times, and that it was in such times that they needed the experience of an organisation such as the BWU.

In an oblique reference to recently-formed unions, Bonadie charged there were certain people who liked power, and who would wish to disrupt the development of the BWU, which, over the years, "had developed strength, might and power".

"They think that they can get power overnight," said the CCL official. "But, when the Barbados Workers Union speaks, they do so with authority that is not possessed by any other organisation in the country. The BWU is an organisation which is abreast, out front, in front."

"What you have is the best. Hold on to it. Guard it jealously," Bonadie urged.

### Rejection of Restraint

Bridgetown SUNDAY SUN in English 28 Apr 82 p 1

[Text]

THE Barbados Workers' Union (BWU) 'May Day' rally yesterday unanimously endorsed resolutions rejecting Government's call for wage restraint, condemning the imposition of the Transport Levy, and calling on the national administration to stimulate employment in all areas of economic activity.

The three resolutions were severely critical of Government's economic policy, and one claimed that levies, consumption taxes, and increases in the cost of living continued to erode the real wage of workers.

Such developments, said the resolution, "contribute to a serious deterioration in their (the workers) standard of living."

The rally rejected wage restraint as not being in the best interest of the workers of the country.

## PHONE COMPANY BRANDS U.S. REPORT A 'MALICIOUS' LIE

Bridgetown THE NATION in English 28 Apr 82 p 28

[Text]

"FALSE, misleading and malicious", were the words used by a senior official of the Barbados Telephone Company to describe a report on the communications aspect of President Reagan's recent visit to Barbados.

The report, appearing in the April 26 issue of *Time Magazine*, under the title "Communication", stated: "Some 100 workers from the White House Communications Agency laid cable throughout Barbados and set up switchboards to handle approximately 50 phones for the President's party; a phone is installed virtually everywhere Reagan pauses, even for a few minutes.

"In the process, says one White House aide, they basically redid the Barbados phone system and left it far more sophisticated than before. The aide explains that 'it was too expensive to haul a lot of the equipment, so the gear was simply turned over to the islanders,'" the report declared.

However, Ivan Burrowes, the telephone company's personnel and special projects manager, and editor of the company's public relations magazine, *Communicator*,

angrily responded yesterday that the company had provided all of the facilities and cables that the President's men and foreign press media required.

He stated: "They (the Americans) did not lay one foot of cable in Barbados."

Burrowes said the only piece of major equipment that the Americans brought in was a special PABX machine known as Dimension, which is connected to the local network wherever the President travels and, as far as he knew, it was not left in Barbados.

Burrowes said the Americans substituted some of their specially adapted phones for phones provided by the company.

"They really didn't do anything in Barbados," Burrowes declared.

Burrowes produced a copy of a letter written by American ambassador to Barbados, Milan Bish, which complimented Telephone Company plant superintendent Orwin Atwell for the excellent work done.

The letter stated: "Dear Mr. Atwell, Ashley Wills has told me how helpful you and your colleagues were in providing telephone services during the President's visit. I am most grateful to you for this assistance, as it helped the Press Center to become a very successful operation. Of course I have come to expect good service from the Telephone Company in my short stay here and should have been surprised had it not been anything less than excellent in this case.

"Please again accept my sincerest appreciation for your work, and also accept this small token commemorating the President's visit."

## COLOMBIA PROVIDING CREDIT FOR IMPORTATION OF ITS GOODS

Bridgetown ADVOCATE-NEWS in English 26 Apr 82 p 1

[Text] Colombia is prepared to provide Barbados with lines of credit to finance the import of agricultural products by Barbadians from that country.

It is expected that more details for this will be worked out when Colombia's Ambassador to Barbados, Mr. Carlos Ayerbe, meets tomorrow with Barbados' Minister of Agriculture, Dr. Richard Cheltenham at the Ministry of Agriculture. The meeting is slated for 2.30 p.m.

Mr. Ayerbe is optimistic that Barbados and Colombia can have a healthy trade in agricultural produce.

He told the Advocate-News, "My country has a surplus of agricultural products, especially of beef, corn and rice."

He pointed out that with the Colombian Government providing lines of credit, Barbadians will be able to import these agricultural products without having to worry about certain charges since the Colombia Government will be covering these at that end, and the Barbadian importer will then repay the Colombia Government on "soft" terms.

Mr. Ayerbe said that Colombia is also prepared to give Barbados other technical assistance with its

agriculture. It has already offered Barbados through the Ministry of External Affairs, scholarships to train Barbadians "in the science of the utilisation of minor species as sources of protein."

Mr. Ayerbe explained that the "minor species" referred to are pigs, poultry and rabbits.

Barbadians accepting the scholarships will be trained at the Colombia National Training Agency (SENA) and all costs will be met by the Colombian Government.

Mr. Ayerbe said that agriculture holds the first place in the Colombia economy with this sector accounting for 23 per cent of the country's Gross Domestic Product (G.D.P.). It is agriculture that provides Colombia with most of its foreign exchange and generates the most jobs.

He said that Colombia's pig farming and poultry farming have grown significantly in recent years and so has its dairy farming. Mr. Ayerbe is convinced that Barbados could learn something from Colombia in these areas.

It is only last year that Colombia established an embassy in Barbados and Mr. Ayerbe is his country's first

Ambassador to Barbados. He had lived in Barbados before when he was attached to the Caribbean Development Bank (CDB). Mr. Ayerbe is an engineer.

He said that his country, apart from whatever assistance it gives to Barbados, will continue to provide assistance at a regional level through the CDB.

Colombia is a member of the CDB and its first grant to the bank was of US\$5 million, followed by a concessionary loan of another US\$5 million as a soft loan.

Mr. Ayerbe said that Colombia was also thinking of establishing a Trust Fund in the CDB of US\$10 million to US\$15 million.

Mr. Ayerbe said, "My country will continue to support the CDB since we recognise it as a leading institution contributing to the development of the region. We will try to do whatever we can to help build up the CDB."

Colombia has a population of 27 million and its chief exports are coffee, bananas, beef, rice, plastics, construction materials, and flowers.



## RULING BLP LAUNCHES LEADERSHIP TRAINING PROGRAM

Bridgetown THE NATION in English 30 Apr 82 p 23

[Text] THE Barbados Labour Party (BLP) will launch a new leadership training programme today, aimed at educating the general membership of the party through the constituency branches.

This has been stated by Senator John Williams at a recent Press conference at BLP headquarters to announce the new programme.

Senator Williams stated that for the programme, which will take the form of a series of lectures, each constituency branch will be asked to nominate one representative,

In addition, places have been reserved for two nominees each from the League of Young Socialists and the Women's League and 31 persons are expected to participate.

Prime Minister Tom Adams will officially launch the programme, and at the ceremony, Dr. Don Blackman will deliver the feature address in which he will speak about **The Road to Social Development**.

The first lecture will be on May 7, and will continue each Friday from 6 p.m. to 8 p.m. This first lecture will deal with **Party organisation, structure and philosophy**, by Ronald Mapp and Sir Mencea Cox.

Other areas include: **The Role and Management of Constituency Offices and Canvassing** by Truss and Keith Hinds, **Public**

**Speaking** by Dr. Waldo Ramsay, **Communications and Public Relations** by Tony Vanterpool, **Social and Political Research** by Dr. Neville Duncan, **Political Principles** by Dr. Richard Cheltenham and **The Labour movement** by Senator John Williams, Mitchel Codrington and Dr. Don Blackman.

Following the programme, it is expected that an evaluation will be made by David Simmons.

Williams pointed out that the purpose of the programme was to make persons better suited to make a contribution to the management of the constituency branches, and as a result, he was hoping that persons who are quick learners would be selected to attend.

The idea of the leadership training programme was formulated by the Social Club Committee and the League of Young Socialists.

CSO: 3025/278

## CENTRAL BANK REPORTS ON 'DISTRESSING' ECONOMY IN 1981

Port-of-Spain TRINIDAD GUARDIAN in English 5 May 82

[Text]

BRIDGETOWN, Tues., (Cana):

BARBADOS CENTRAL BANK formally reported today on the country's distressing economic performance in 1981, the worst in years, and warned that the prospects for this year were only slightly less gloomy.

It counselled a policy of caution, wage restraint, curbs on credit, and slashed Government expenditure. Much of what happens with the Barbados economy in the coming year will depend on economic recovery in North America, the bank said.

The annual report was laid in Parliament this afternoon by Prime Minister Tom Adams, who is Minister of Finance.

Its message to trade unions, at a time of mounting industrial unrest, was that the level of wage increases being demanded "threatens to destroy the nation's balance of payments and to plunge large numbers of peo-

ple in unemployment.

"The situation facing us demands a most intelligent and cautious approach," the bank declared.

There was 3.0 per cent negative growth in 1981, with disappointing performances by the three major industries — tourism, sugar and manufacturing.

While output dipped, expenditure leapt upwards. The Government registered its highest ever fiscal deficit, and the current account deficit of \$193 million on the balance of payments was 16 times higher than in 1980.

"Only the strong performance of the U.K. market saved the industry from disaster," the report said.

CSO: 3025/278

## BRIEFS

TOURISM NOSEDIVE--Tourism for the first two months of this year has slumped by more than 28 percent compared to the same period in 1981, according to Department of Tourism figures released yesterday. And for the month of February tourists numbered 15,112, the lowest recorded in over a decade. The only bright spot in an otherwise gloomy report was a modest increase in visitors arriving from the United Kingdom--up 1.2 percent to 1,098 visitors for January and February of 1982. "During February 15,112 tourists came to Bermuda--5,754 less than in the same month last year," said the Department of Tourism report. "It was the lowest number of February visitors the Island has had since 1969. The Department of Tourism, in its latest analysis of visitor statistics, also reveals that the cumulative total of visitors through the first two months of this year was 23,457, down 28.4 percent from 32,751 for the same period last year. Tourists from the United States in February totalled 12,566, down 29.7 percent from 17,864 in 1981. Taking into January's figures, U.S. tourist arrivals over the first two months were down 29.8 percent--19,306 compared to 27,505 a year ago. February visitors from the United Kingdom, however, increased by 16.8 percent--722 compared to 618 in February 1981. Bermuda Hotel Association figures also show that February hotel occupancy was 29.2 percent, down from 40.8 percent a year ago. [Hamilton THE ROYAL GAZETTE in English 8 Apr 82 pp 1, 9]

CSO: 3025/282

## SNI POLL SHOWS PDS WINNING IN ONLY SIX STATES; SNI DENIAL

## Findings of SNI Poll

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 May 82 p 5

[Text] Brasilia--A poll of election trends in the states made in April by intelligence agencies coordinated by the SNI [National Intelligence Service] and submitted to the government 30 April shows the PDS [Social Democratic Party] would win the November elections in only 6 states, while losing in 13 and being too close to call in 3 others.

In political circles, a simplified version of the document has been circulating in recent days that does not show the percentages of votes obtained by the parties, the candidates' names nor their rising and falling trends, as the poll was made for government use and is not available to the public.

According to the intelligence community, if the elections had been held in April the PDS would have won in Maranhao (regardless of who the candidates were, as the poll began when Deputy Luiz Rocha had not yet been chosen and the fact that Senator Alexandre Costa, allied with Deputy Edison Lobao, may contest the choice at the convention--one of them with the other's support--would not alter the poll's findings); Ceara, with Luiz Gonzaga da Mota; Alagoas, with Divaldo Suruagi; Sergipe, with Joao Alves; Bahia, with Cleriston Andrade; and Mato Grosso, with Julio Campos.

In the 13 states where opposition candidates are favored the PMDB [Brazilian Democratic Mobilization Party] leads the field, suggesting the following winners: Amazonas, with Jader Barbalho; Rio Grande do Norte, with Aloisio Alves; Paraiba, with Antonio Mariz; Pernambuco, with Marcos Freire; Rio de Janeiro, with Miro Teixeira; Minas Gerais, with Tancredo Neves; Sao Paulo, with Franco Montoro; Goias, with Iris Resende; Mato Grosso do Sul, with Wilson Martins; Parana, with Jose Richa; Santa Catarina, with Jaison Barreto; and Rio Grande do Sul, with Pedro Simon.

The states considered too close to call are Acre, Piaui and Espirito Santo.

The poll has met with astonishment in political circles because, even without stating the percentage of votes received by each candidate, it conflicts with findings of a Gallup poll also made in April giving Sandra Cavalcanti, of the PTB [Brazilian Labor Party], 52 percent of the vote in Rio de Janeiro; more than twice that obtained by Miro Teixeira of the PMDB, who came in second. Similarly, Senator Pedro Simon, who was second in the Gallup poll in Rio Grande do Sul with 23 percent compared with 30 percent for former cabinet minister Jair Soares of the PDS, is shown leading in the official poll.

These discrepancies are puzzling to both government and opposition politicians who fear creation of an artificially pessimistic climate for the PDS that might induce the government or some of its sectors to a mistaken evaluation of its election prospects, frequently considered in the decision-making process at all levels.

(12)(13)(14)(15)(16)(17)(18)							
O ATUAL GOVERNADOR ESTÁ GOVERNANDO: (1)	SP	RJ	MG	RS	PR	PE	BA
Muito bem (2)	11	3	9	5	14	22	16
Bem (3)	43	21	40	40	38	48	44
Regularmente (4)	27	38	32	38	31	21	30
Mal (5)	5	4	3	6	4	3	3
Muito mal (6)	10	22	7	8	2	3	3
Não sabem dizer (7)	4	12	9	3	11	3	4
TOTAIS (8)	100	100	100	100	100	100	100
ÍNDICES DE APROVAÇÃO (MUITO BEM+BEM) (9)	54	24	49	45	52	70	60
ÍNDICES DE DESAPROVAÇÃO (REGULARMENTE+MAL+MUITO MAL) (10)	42	64	42	52	37	27	36
ÍNDICES RELATIVOS (APROVAÇÃO-DESAPROVAÇÃO) (11)	+12	-40	+7	-7	+15	+43	+24

Key:

- |   |                       |
|---|-----------------------|
| 1. The current governor is governing:                 |                       |
| 2. Very well  | 12. Sao Paulo         |
| 3. Well   | 13. Rio de Janeiro    |
| 4. Fair   | 14. Minas Gerais      |
| 5. Poorly   | 15. Rio Grande do Sul |
| 6. Very poorly  | 16. Parana            |
| 7. Don't know   | 17. Pernambuco        |
| 8. Totals   | 18. Bahia             |
| 9. Approval rating (very well, well)                  |                       |
| 10. Disapproval rating<br>(fair, poorly, very poorly) |                       |
| 11. Relative rating<br>(Approval minus disapproval)   |                       |

SNI Refutation

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 May 82 p 2

[Text] The chief of the central agency of the National Intelligence Service (SNI), Major Gen Newton de Oliveira e Cruz, told O ESTADO DE SAO PAULO yesterday that the SNI had not taken a poll in which the PDS would win in only six states. He asserted that, according to that agency's forecasts, if the elections were held today the

PDS would win a larger number of governorships. Furthermore, the general said the SNI believes PDS prospects will improve during the next few months to the point of winning in some states where the opposition could win today.

Denying reports according to which a poll taken in April by intelligence agencies indicates the PDS will win in only the six states of Ceara, Alagoas, Sergipe, Maranhao, Bahia and Mato Grosso, Gen Newton Cruz explained that the SNI works "from outside to inside and for the government," for which reason he thinks that "the name of the SNI was used improperly.

"There was no such poll," the general stressed. "It is fallacious to say the SNI expected the PDS to win in only six states. According to SNI forecasts, the PDS should win the governorship in a much greater number of states, an even greater number than would be needed for an opposition victory. Furthermore, the SNI estimates that PDS chances will increase in coming months and achieve victory in some other states where the opposition could win today."

#### Agreement

Deputy Jorge Vargas (PMDB--Minas Gerais) said yesterday that for the first time he is in agreement with the SNI in the essentials of the public-opinion poll about nationwide election trends last month, "because it accurately reflects a widespread antigovernment feeling."

The poll, reported yesterday by O ESTADO DE SAO PAULO, has met with some objections: according to Deputy Milton Figueiredo (PMDB--Mato Grosso), "Padre Pombo, the opposition candidate for governor of his state, is doing better than Julio Campos of the PDS, although the latter is the best candidate the government party could find from an electoral point of view."

Former Deputy Renato Archer, PMDB candidate for governor of Maranhao, in turn, calling from Sao Luiz yesterday by telephone, asserted he does not believe a poll was taken by the SNI indicating a PDS victory in six states and one of those would be his own.

"There must not have been a poll by the SNI but rather a survey based solely on information provided by Senator Jose Sarney," said Renato Archer, adding that "this can be proven by the booing that not only the PDS president but also Governor Jose Castelo received on the day of the Brazil-Portugal match."

Editor's Note: The data about the election poll published yesterday were given to a reporter at our Brasilia branch by a congressman who had access to them through military connections. The congressman had in his hands a document with findings of the poll without mentioning names or percentages of votes.

8834

CSO: 3001/146

## INDUSTRIAL PRODUCTION DOWN 8.98 PERCENT IN FIRST QUARTER

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 May 82 p 29

[Text] Rio de Janeiro--The nation's industrial production continued to fall 8.9 percent in First Quarter of this year, although it recovered slightly compared with the first 2 months of the year, when economic activity was at its lowest level, falling 13.8 percent. During the 12-month period ending March 1982 the annual rate of industrial production fell 11.43 percent, with mineral output increasing 3.35 percent and manufacturing output decreasing 11.86 percent.

According to the IBGE [Brazilian Institute of Geography and Statistics] Foundation, whether or not the moderation in the decline of industrial output during March signals the start of an economic recovery will depend upon results of the next few months.

Comparing the first quarter of this year with the same period last year, only two sectors in manufacturing industry increased output: apparel and shoes (up 0.17 percent) and pharmaceuticals (up 7.04 percent).

Minerals-extraction industry increased output 7.91 percent, thanks to the performance of petroleum, iron ore and manganese ore. A drop of 9.47 percent in manufacturing output resulted from the following sectoral declines: nonmetallic minerals, 7.57 percent; metalworking, 14.20 percent; metallurgy, 16.21 percent; machinery, 22.91 percent; electrical and communications material, 18.94 percent; automotive vehicles, 19.08 percent; other transport products, 7.97 percent; paper and paperboard, 4.12 percent; rubber, 19.54 percent; chemicals, 3.73 percent; petroleum derivatives, 2.97 percent; other chemical products, 4.18 percent; perfume, soap and candles, 4.13 percent; products of plastic materials, 9.89 percent; textiles, 6.24 percent; food products, 4.85 percent; beverages, 9.85 percent; and tobacco, 5.36 percent.

Taking into consideration that January and February show a distorted rate of output due to the fact of February's having so few working days accentuating the drop in industrial production, it is noted that the rate of January-through-March output was 5 percent higher than that of January and February. In the opinion of the IBGE, it will take at least 2 months to determine whether or not this constitutes a statistical turning point.

Meanwhile, the categories most responsible for this February-to-March improvement were: textiles (a 14.68 percent decline reduced to 6.24 percent); transport material (a drop of 25.66 percent moderating to 16.70 percent); food products (a gain of 8.22 percent replaced by a loss of 4.85 percent); metalworking (a decline of 17.94 percent easing to 14.20 percent); chemicals (a 7.77 percent drop reduced to 3.73 percent); and electrical material (a skid of 26.26 percent moderated to 18.94 percent).

Within these categories, which together caused 72 percent of the variation between the January-February and January-through-March figures, the following products were significant: raw cotton (a 64.38 percent drop slowed to 24.22 percent); automobiles (a 21.98 percent decline moderated to 10.85 percent); wheat flour (a 16.12 percent increase replaced by a 5.67 percent reduction); stoves and nonelectric heaters (from a 9.59 percent decrease to an 8.32 percent increase); raw peanut oil (from 24.07 percent increase to 54.70 percent increase); and, due to interest in World Cup matches, a substantial increase in production of color television sets (from a decline of 12.47 percent to a rise of 16.45 percent)..

8834

CSO: 3001/146



## 'NEW CROP, OLD PROBLEMS'; DROUGHT DAMAGE; EXPORTS DOWN

## Agricultural Problems Persist

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 May 82 p 68

[Article by Francisco de Assis Barbosa: "New Crop, Old Problems"]

[Text] The announced grain crop of 56 million tons (if confirmed) will reassert a well-established truth: Brazilian agriculture is still inefficient, operating at low levels of productivity, incapable of helping overcome the chronic poor eating (or malnutrition) of the bulk of the population. It happens that, among producers and specialists, this forecast is considered exceedingly optimistic: they concede 53 million tons at the most, but don't really expect more than 50 million tons to be harvested.

Quite aside from statistical deficiencies and in view of the government forecast, it is hard to resist the temptation of a little exercise in arithmetic: If all the nation's grain production were shared by the population (assuming that all 120 million Brazilians had access to the table) in a completely equal way, there would be exactly 466 grams [sic; kilograms?] per person. But this result would be misleading, because the corn and soybean crops are not all for human consumption or for the domestic market. Thus, considering only rice production (9.2 million tons), beans (3 million tons) and wheat (2 million tons), each citizen would be entitled to 11.5 grams [sic; 115 kilograms?] of grain per year.

Excluding corn and soybeans indicates existence of two fundamental distortions: predominance of agriculture for export (more modern, more dynamic because of the incentive given by the market) and allocation of a significant portion of output to animal feed. This week, meeting in a conference in Sao Paulo, rations manufacturers will devote a good portion of their time to discussing an unusual topic: "Animals are being better fed than human beings."

Of the (officially) estimated 22.5 million tons of the nation's corn production this year, about 60 percent (13.5 million tons) will be eaten by chickens and hogs in the form of balanced rations. Chickens and hogs whose growers today face a serious problem: excess supply, a drop in consumption due to lower real income per capita reflected in prices insufficient to assure a satisfactory income to the producer. In the biological chain, the lower price for chickens means a lower price for corn, their basic food. A situation worsened by the increased size of the crop, which is likely to be 15 percent greater than that of 1981.

## Bean Campaign

The widespread reduction of consumption resulting from the recession created situations that are curious, to say the least: The government is planning a campaign to encourage bean consumption, as Brazil is the world's largest consuming market for this product. But this is a special case: in 1965 there were 2.5 million tons of beans consumed; demand for the 1980-81 crop was 2 million tons. Incidentally, during this period the population grew 40 percent.

The production of 2.8 million tons forecast for this year created a favorable situation for supplying beans. So much so that, in view of the consumption of 2.5 million tons, there is now even talk of exporting. Meanwhile, in recent years and consistent with the overall picture of Brazilian agriculture, bean production was extremely erratic: 2.2 million tons in 1977, 2.1 million tons in 1978 and 1979, 1.9 million tons in 1980 and 2.3 million tons in 1981. Just to complete the picture, in 1981 production of rice, oats, barley, rye, beans, corn and sorghum was 4.1 percent less than in 1976, according to the IBGE [Brazilian Institute of Geography and Statistics] Foundation. And, in the same period population increased more than 10 percent.

With all this in mind, economist Fernando Homem de Melo of the USP [Sao Paulo University] Institute for Economic Research Foundation says the campaign to promote bean consumption is "foolishness," and exporting would be an equally gross error. "For the first time in many years," says the economist, "the bean crop is more or less in line with needs and is facing a slack market due to lower purchasing power." Any increase in consumption or future crop failure and the country will probably have to import beans again.

Antonio Favano Neto, president of the Sao Paulo Grain Exchange, believes that, as beans "are at the price of rice" and consumption is declining, there is only one thing to assume: Brazilians are losing the habit of eating beans. One might say they got out of the habit because for so many years they had to replace beans with less-desirable substitutes. And Brazil is the second largest producer of beans (although it is the largest consumer), after India, which allocates most of what it produces to feeding cattle.

"The problem," says Favano Neto, "is that bean production is small-scale and productivity is low due to decline of the crop." Farmers explain that, with the difficulty in getting seed, they were planting seed from their own bean crop, resulting in even lower yields.

## Poor Judgment

Julio Cesar Martins, secretary of supply and prices, has been praising the government's agriculture policy and attributing to it significant results reflected in food stocks being built up. But Fernando Homem de Melo considers this poor judgment. There was no increase in food supplies, he notes, but instead a fall in demand caused by loss of purchasing power. Rice production, for example, which is likely to be 20 percent greater than in 1981, will be 50,000 tons less than in 1976 and 75,000 tons less than in 1980. And, besides lower consumption, high interest rates (8 percent a month) literally prohibit inventory formation by the private sector.

Brazilian Agricultural Production (thousands of tons)

PRODUÇÃO AGRÍCOLA BRASILEIRA. - mil toneladas							
Produto (1)	1977	1978	1979	1980	1981	1981/80	1981/77
<b>1. MERCADO INTERNO (2)</b>							
Arroz (3) (4)	8.994	7.296	7.595	9.748	8.495	-12,9	-5,6
Batata (5)	1.898	2.014	2.155	1.946	1.891	-2,8	-0,3
Cebola (6) (7)	483	483	691	697	779	+11,8	+73,9
Feijão (8) (9)	2.290	2.194	2.184	1.969	2.345	+19,1	+2,4
Mandioca (10) (11)	25.929	25.459	24.962	23.411	25.638	+9,5	+1,1
Milho (12) (13)	19.256	13.569	16.306	20.374	21.141	+3,8	+9,8
Sorgo (14) (15)	435	227	122	182	165	-9,4	-62,1
Tomate (16) (17)	1.298	1.465	1.501	1.526	1.362	-10,7	-4,9
<b>2. MERCADO EXTERNO (18)</b>							
Algodão (19) (20)	1.900	1.570	1.636	1.673	1.758	+5,1	+7,5
Amendoim (21) (22)	321	325	462	483	324	-32,9	+0,9
Cacau (23) (24)	250	284	336	319	304	-4,6	+21,6
Café (25) (26)	1.951	2.535	2.666	1.996	3.775	+88,1	+93,5
Cana-de-açúcar (a) (27)	120.082	129.145	138.899	146.065	154.660	+5,9	+28,8
Fumo (28) (29)	357	405	422	406	354	-12,6	-0,8
Laranja (b) (30)	35.823	39.132	42.226	54.341	57.339	+5,5	+60,1
Mamona (31) (32)	224	317	325	283	303	+7,0	+35,3
Soja (33) (34)	12.513	9.541	10.240	15.153	15.290	+0,9	+22,2
3. TRIGO (35)	2.066	2.691	2.927	2.708	2.029	-25,1	-1,8

FONTE: IBGE - Levantamento Sistemático da Produção Agrícola. (22)

(a) Inclui cana-de-açúcar para a produção de álcool (23)

(b) 1.000 frutos (24)

Key:

- |  |                    |
|--|--------------------|
| 1. Product   | 11. Foreign Market |
| 2. Domestic Market   | 12. Cotton         |
| 3. Rice  | 13. Peanuts        |
| 4. Potatoes  | 14. Cocoa          |
| 5. Onions  | 15. Coffee         |
| 6. Beans   | 16. Sugarcane      |
| 7. Manioc  | 17. Tobacco        |
| 8. Corn  | 18. Oranges        |
| 9. Sorghum   | 19. Castor oil     |
| 10. Tomatoes   | 20. Soybeans       |
|  | 21. Wheat          |
| 22. Source: IBGE, "Systematic Survey of Agricultural Production" |                    |
| 23. (a) Includes sugarcane for producing alcohol                 |                    |
| 24. (b) Thousands of fruits                                      |                    |

To provide sufficient food, obtain exportable surpluses and develop agricultural substitutes for petroleum derivatives within the terms of government policy, the nation will have to double the rate of increase of cultivated area until the end of this decade, according to Homem de Melo. This would mean jumping from the 2.9 to 3.7 percent range of the last 40 years to 6.5 to 7 percent through 1990.

Between 1967 and 1979, the economist points out, availability of calories and protein per inhabitant daily fell 25 percent, at annual rates of 1.84 and 1.80 percent, with beans and manioc predominating; the first, the typical Brazilian dish, the second, one of the easiest crops to stimulate.

Fernando Homem de Melo stresses that agriculture, as well as industry, is being penalized by the crisis. In 1981, prices received by farmers rose an average of

76 percent compared with an inflation rate of 94 percent. This year, he adds, the situation will not differ greatly from that of last year.

According to Ruy Martins Altenfelder Silva, president of the National Association of Fertilizer Distributors, 8 of the 13 major crops of the Center-South region (cotton, potatoes, beans, tobacco, manioc, corn, soybeans and tomatoes) will have lower yields.

The great farm crop of the Figueiredo government's 3d year will not change anything.

#### Drought Affects Production

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 May 82 p 68

[Text] Porto Alegre--Droughts that since 1978 have hit summer crops in the South with more or less intensity reduced grain production again this year by at least 4 million tons. Rio Grande do Sul was the hardest-hit state, losing 2.2 million tons of soybeans alone, worth 36 billion cruzeiros. And attention is now being directed to wheat, the planting of which has just begun in the three southernmost states and is already being threatened by lack of rainfall. After it is harvested, soybeans, corn, rice, beans and cotton will be planted again, although without optimistic forecasts or significant increases in planted area, as the region's agricultural frontier is almost completely occupied. There is still some optimism about coffee in Parana although contingent upon what may happen during the winter. If there are no frosts, the plants, which are in very good condition, will return to normal production levels in 1983.

Without drought, Rio Grande do Sul soybean production could have been about 6 million tons, but it is not likely to exceed 3.8 million tons, according to FECOTRIGO [Federation of Brazilian Wheat and Soybean Cooperatives], or 4.25 million tons, according to official sources, because the crop was hit by severe drought in January, heavy rains in February and another drought in March and April. Losses to farmers alone were estimated at 36 billion cruzeiros, while the state lost 10 billion cruzeiros in ICM [tax on movement of merchandise].

This is the second time during the last 10 years that producers' average revenue has not covered expenses, and it is expected that the crop year will end with a shortfall equivalent to five sacks per hectare. The situation is so serious that the government is considering a special credit for the state's small farmers and has permitted retention of 20 percent of output on farms to be compensated by PROAGRO [Agriculture and Livestock Activity Support Program] at the request of FECOTRIGO. Parana also reported losses, although much smaller: of an expected crop of 4.8 million tons, 4.5 million tons are being harvested, even though there was a 100,000-hectare reduction in planted area. In Santa Catarina planted area fell 40,000 hectares from the previous year and even with the drought production fell only 11 percent--from 648,000 to 574,000 tons.

#### Corn, Rice, Beans

Corn was the second most affected product. Parana, the nation's largest producer, expected 5.7 million tons and harvested only 5.35 million, according to Agriculture

Secretary Eugenio Stefanello. But in Rio Grande do Sul drought caused greater damage: last year production was 3,914,000 tons and this year, although a larger area was planted, it will be 3.5 million tons, according to the CFP [Production Financing Commission], or 3,147,000, according to Agriculture Secretariat data. In Santa Catarina 10 percent of production was lost, according to the secretariat, and it will be a little more than 2.8 million tons.

Damages were much less for bean producers, who have already harvested their rainy-season crop (of 618,000 tons in Parana, 10,000 to 20,000 less than expected; 126,000 tons in Rio Grande do Sul and 194,000 tons in Santa Catarina) and have planted their dry-season crop, expecting about 130,000 tons in the whole region, with very little damage caused by drought. The harvest of unirrigated rice is practically finished, also disappointing in Parana (from 400,000 to 250,000 tons) and in Santa Catarina (which fell from 133,700 in 1981 to 82,400 tons this year).

Of all the summer crops, only irrigated rice--which is the entire crop in Rio Grande do Sul and half that of Santa Catarina--had what could be considered satisfactory results. Rio Grande do Sul had the greatest production in its history, 2.6 million tons, thanks to good average yields obtained with two new varieties put on the market by the Rio Grande Rice Institute and brought from Colombia and the Philippines. In Santa Catarina much less was planted but output was unchanged at 295,000 tons.

#### Wheat and Coffee

Wheat is now being planted. Parana has seeded 20 to 25 percent of the expected area of 1.2 million hectares, whereas at this point 50 percent should have been planted. In Rio Grande do Sul drought is even more severe (an example: it should have rained 127 mm in Passo Fundo during April, but precipitation was only 33.6 mm) but some fields are already planted in the Sao Borja region and the state should have 1.1 million tons.

The two states, under normal conditions, could produce 2.5 million tons, whereas taking into consideration all producing regions the nation may have a planted area of 2.5 million to 2.6 million hectares--a 25-percent increase over the previous year--and production of 2.7 million to 3 million tons, which is half what is needed to supply the domestic market. The government's purchasing prices are good and planted area would be greater if it were not for a seed shortage, according to CTRIN [National Wheat Marketing Enterprise].

If winter is not severe, benefiting wheat and coffee growers in northern Parana, the latter should also have a good crop, but not until 1983. This year's crop, estimated at 1.5 million bags by pessimists and 2 million bags by optimists, was damaged by last year's frosts, as a result of which 200 million trees were destroyed. The remaining 650 million trees may produce in 1983 between 6 million and 7 million bags, compared with 8 million to 8.5 million in the previous crop year.

#### Prospects

The Parana agriculture secretary, for example, believes next season's grain crop will not exceed 13 million to 13.5 million tons in his state, including coffee, whose volume last year was 13.8 million and this year will be only 12.8 million to

13 million. In the three southernmost states soybeans, which lost ground in the crop year just ending, should recover next year or even register a small gain, except for Santa Catarina, where the tendency is to remain unchanged.

#### Lower Soybean-Complex Exports

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 13 May 82 p 43

[Text] Brazilian exports of soybeans and soybean oil this year will be much less than the volume exported in 1981, according to forecasts by leading grain exporters and brokers in Parana. Soybean exports, according to estimates, may fall 80 percent and soybean oil, more than 50 percent. Only soybean meal will be able to maintain the same position as last year, as there is demand in the international market.

The drop in soybean-complex exports, which were over \$3 billion in 1981, is attributed mainly to the drop in the Brazilian crop which, according to estimates by brokers and experts of Parana farming cooperatives, will be 12.2 million tons at the most, whereas the first crop forecast was for 15 million tons. According to specialists of the sector, the drop in production in Rio Grande do Sul, Parana and Sao Paulo is close to 2.9 million tons, leaving 12.1 million tons including reserves for seed and soybean exports (1.5 million tons), oil for supplying the domestic market and for exports. As domestic consumption is estimated at 1.6 million tons and total supply of oil will be 1.89 million tons, the exportable surplus will be about 290,000 tons, plus 108,000 tons produced from soybeans imported from Paraguay in "drawback" transactions, reaching 400,000 tons, a much lower volume than the 900,000 tons exported in 1981 and the initial export forecast this year of 1 million tons of soybean oil.

#### Idle Capacity

Rio Grande do Sul vegetable-oil industries will have in the drawback transactions, with imports of soybeans from Paraguay and Argentina, the only possibility of eliminating idle capacity which threatens, along with the low prices prevailing in the international market, their profitability this year. The last revision made by the Production Financing Commission (CFP) indicates that drought reduced the current Rio Grande do Sul crop to about 4.2 tons of soybeans. Regional agent Ary Herzog says the survey was made 2 weeks ago and more recent information indicates that the state's harvest may be less than 4 million tons this year, whereas crushing capacity is over 10 million tons.

To eliminate this slack, Herzog added, the companies should certainly resort to drawback-type importing, which is a commitment to export the oil and meal resulting from crushing the soybeans bought from a foreign country.

8834

CSO: 3001/146

## USE OF ECONOMIC INCENTIVES BY COMPANIES VIEWED

## Incentives To Be Distributed

Havana GRANMA in Spanish 21 Apr 82 p 1

[Article by Jose M. Norniella]

[Text] Economic incentives in socialist society have a single objective: to establish an appropriate harmony between social interests and individual interests. The socialist producer as an individual has material motivations related to his own needs, a part of which should be met from the earnings resulting from his work.

Funds for economic incentives constitute the economic mechanism for attaining harmony between social and individual interests, by means of the relationship between the results of each person's work and the efficiency of enterprise management.

Each year since 1979 a larger group of enterprises has been authorized to apply the principles of material incentives.

The number of enterprises authorized to apply the mechanism of material incentives rose to 441 in 1981, more than double the number in 1980. Much experience has been accumulated in these 3 years in which the said mechanisms have been applied, and this experience will serve as a basis to allow all of the country's enterprises to begin to introduce these mechanisms.

Nevertheless, this year there has been a slowdown in the distribution of funds for economic incentives. There are several causes for this delay.

The application of the Wholesale Price Reform and the General Salary Reform caused the enterprises to change their plans. Many of their indicators deteriorated due to the increase in some production cost items. Salary costs were greater. In no case were these increases planned.

In addition, there were other phenomena in the enterprises that forced the organizations of the State Central Administration to seek various adjustments. For example, because of the limitations of our economy and urgent needs, several enterprises had to change their stock. Logically, this affected their indicators for the formation of economic incentive funds.



The formation of economic incentive funds is associated with the increase in efficiency, and this increase is measured by comparing the year's results with those of the preceding year. But because of the causes already noted, such a comparison is based on several factors, and it could not be made without the proper adjustments.

That caused the Central Planning Board [JUCEPLAN] to decide to review all of the enterprises authorized to set up economic incentive funds. This painstaking work was carried out with the aid of each ministry, because they are in charge of certifying the quantity of funds established by their enterprises.

To date half of the measures have been reviewed and the JUCEPLAN has ratified some 200. Of this total about 110 enterprises distribute economic incentive funds, that is, a premium fund and a fund for social and cultural measures and for construction of housing, whereas another 23 enterprises will distribute only the fund for social and cultural measures, because of the correlation between productivity and average salary, which prevents them from distributing the fund for individual premiums.

The remaining enterprises will be ratified by the JUCEPLAN in the near future. Once the JUCEPLAN ratified a measure, the corresponding ministry is in charge of certifying the quantity of material incentive funds for later distribution in the enterprises.

The enterprises have until 30 April to effect the distribution of material incentive funds. Nevertheless, if there should be enterprises that fail to make their distribution, the JUCEPLAN and the Cuban National Bank will establish a new date.

All enterprises establishing economic incentive funds in 1981 on the basis of greater efficiency will distribute them without fail, although it is possible that some will have to do this in the month of May.

#### Bonuses to Food Industry

Havana TRABAJADORES in Spanish 12 Apr 82 p 1

[Article by Luis Sexto]

[Text] Another step forward on behalf of high food yields has been taken within the Revolution by the Ministry of Agriculture with the issuance of Resolution 76-82 establishing a 20-percent salary increase for agricultural workers who achieve more than 110 percent of the established yields for the various crops.

The resolution likewise states that anyone attaining 100, 90 or 80 percent will receive bonuses amounting to 15, 10 and 5 percent, respectively.

In the remainder of its legal body the disposition of the Ministry of Agriculture specified that established taro root, choice yucca, bananas and Hercules cabbage should yield 10,000 quintals per 33 acres. Potatoes, in turn, are assigned a productive yield ranging between 6,000 and 8,500 quintals, depending on the variety of the tuber.



Resolution 76-82 also assigns yields for other crops such as sweet potatoes, onions and beans.

The new economic incentives, which are supported by the National Union of Agricultural and Forestry Workers, in addition to increasing income for growers, will help bring about a gradual but sustained increase in the production of various crops by means of correct seed selection, the use of soil preparation norms and the application of technical principles for sowing of food and grain.

9746

CSO: 3010/1480

## CASTRO DISCUSSES FARMING BEFORE 6TH CONGRESS

PA171700 Havana PRELA in English 1745 GMT 17 May 82

[Article by Jose Dos Santos]

[Text] Havana, 18 May (PL)--President Fidel Castro stressed that the future of private farming in Cuba in cooperativization, is the premise for bringing modern civilization to the countryside.

The Cuban leader gave opinions on different matters debated in the sixth congress of the farmers of his country.

He evaluated in particular the situation in the Cuban mountains, where--as a number of delegates pointed out--for many years now there has been a permanent exodus of the younger generations, that is affecting seriously agricultural development in those zones.

He indicated that it was the revolutionary process itself that has propitiated that depopulation in the mountainous regions, and in agricultural work in general, when opening the doors of higher education to all the country's citizens on an equal footing.

The youth born in the Cuban mountains, said Fidel Castro, are today in thousands of tasks in the plains, linked to technification and new sectors of the economy, services and defense.

He pointed out that he agrees with the delegates in the need to find additional incisives for preserving and increasing the population in those zones, decisive for productions like coffee and cacao, reforestation and tourism.

He also referred to other topics debated in the congress, that is attended by more than 1,000 farmers from all over Cuba, like the taxes that should begin to be paid in 1983, the application of social security for the cooperativists, the start of insurance for crops and others.

He underlined the importance of avoiding distortion of the concept of agricultural production cooperatives, there now being more than 500 in the country, so as not to turn them into a commercial enterprise margined

from their objectives of stable suppliers of produce to the population and the raising of the social living standards of their members.

The Cuban leader stressed that this has been a cooperativists' congress due to the morale and influence that they already have in the private farm sector in Cuba and their growing importance in the agrarian economy.

He also gave opinions on the correct use of housing built with state aid in those collective production units and the objectives of raising increasingly the standard of living of their members.

The Cuban president commented on problems that are worrying presidents of cooperatives and farmers from different regions of the island.

CSO: 3020/123

## SCIENTIFIC-TECHNICAL COOPERATION WITH USSR EXAMINED

Havana GRANMA in Spanish 26 Apr 82 p 6

[Article by Jesus Mena]

[Text] The Cuban Academy of Sciences [ACC] is proposing an extensive program to observe the 20th anniversary of the establishment of cooperative scientific and technical relations between Cuba and the USSR, to be celebrated in June of this year.

The gains achieved by Cuba in the realm of science and technology, thanks to the sustained cooperation between our two countries, were pointed out by Miguel Urrutia, first vice president of the ACC, who indicated the benefits that we have obtained from it in many activities.

Urrutia explained that this collaboration has been continuous since 30 March 1962 with the signing of the protocol on scientific and technical cooperation, after which different methods of cooperation in this sphere began to be developed, including the reception by the USSR of Cuban specialists sent to learn about scientific gains and improvements in productivity, increasing qualifications and specialization, the sending of Soviet scientists and specialists to Cuba for conferences, consultation and development of standard materials and methodologies.

Also developed was the exchange of scientific and technical information.

"The signing of the Cuban-Soviet intergovernmental agreement on economic and scientific and technical cooperation 9 December 1970 contributed," he said, "to the subsequent increase in volume, to the expansion in scope and to the development of forms of scientific and technical relations."

At the press conference at the ACC headquarters, the official emphasized that during the course of these 20 years there has been a successful development in the traditional forms of scientific and technical cooperation between the USSR and Cuba, and about 40 agreements between corresponding institutions were signed.

"In the said period," he stated, "hundreds of Cuban specialists became familiar with scientific and technical achievements and improvements in productivity in the various branches of the national economy, and more than 200 specialists trained under favorable conditions in scientific organizations, enterprises, ministries and other organizations of the USSR."

As a specific example of the fruits of these relations, Urrutia pointed out that with combined efforts an installation was created for freezing raw sugar. It was successfully tested and it received a patent from the USSR State Committee for Inventions and Discoveries.

He also emphasized the cooperation in the technical sphere in the production of "displays" constructed by Cuban specialists, which successfully completed international tests and were included as peripheral circuit components for the mini-MCE (SM MCE) system utilized in the CEMA member countries.

Finally, as one of the most significant achievements in this field, he cited the 1980 Cuban-Soviet cooperative space flight, and he reported that during this 5-year period for the first time there was coordination of scientific and technical plans for the period 1981-1985. "The USSR granted an important credit with favorable terms for the development of science and technology in our country in the said period," he added.

9746

CSO: 3010/1480

## PLAN CALLS FOR 248,000 NEW DWELLINGS BY 1985

Havana TRABAJADORES in Spanish 4 May 82 p 1

[Article by Edith Martin]

[Text] The figure approximately represents the number of units built in the 21 years from 1959 through 1980.

As was announced at a meeting held with the press by a group of MICONS [Ministry of Construction] specialists headed by Salvador Gomila, the director of the Housing and Urbanization Technical Center, and Lazaro Pain, the director of housing, both of whom are from the just-mentioned central agency, 248,500 dwellings will be built throughout the country during the 5-year period of 1981-1985.

The number of housing units referred to approximately amounts to the number built from 1959 to 1980, which totaled 262,000.

Last year MICONS put up 16,380 units and, considering those built by the government, that is, those that were completed by other agencies, the figure comes to 24,000.

It was reported at the meeting that this year's investment plan provides for the construction of 16,000 apartments in multifamily buildings carried out by means of various construction techniques, chiefly using the Yugoslav IMS [Serbian Materials Institute] prefabricated system which has been developed in Cuba since 1967 with good results.

In explaining the difficulties they have encountered in the development of housing in Cuba at the meeting, it was made clear that some of them consist of investments that must be made to acquire hardware, plumbing and water system fixtures and parts in convertible currency areas, among others.

Nevertheless, MICONS specialists are making an effort to find imported substitute equipment and supplies and to expand the capacities of prefabricated component plants, all of which will gradually increase our potential for building economically sound housing.

Beginning with the strengthening of our material and technical base, the fundamental objectives the MICONS Housing and Urbanism Technical Center is pursuing are concentrated on the realization of projects adapted to the norms now in effect, 12.5 m of construction per inhabitant, the execution of these in terms of the topography suited to families and the substitution of domestically produced for imported items.

11,466

CSO: 3010/1544

## SHIPBUILDING INDUSTRY 1982 PRODUCTION SET AT 21 MILLION PESOS

Havana TRABAJADORES in Spanish 13 Apr 82 p 1

[Article by P. Valladares]

[Text] During the course of this year the National Shipbuilding Enterprise [ENA] will complete projects valued at 21 million pesos, which represents a considerable increase over 1981.

In offering this information, Abdias Peon, chief engineer for the enterprise, also referred to the gradual advances being attained in ship repair.

"It is not just this year that the economic scope of production will increase," he said, "but in comparing with 1980 we see that the trend is extraordinary: In that year the figure was 15.6 million pesos, and in 1981 it rose to 19.9 million pesos, an increase of 27.4 percent.

"In units repaired the increase was even greater. Whereas the plan foresaw 252 ships, the actual number was 279. In the shipyards of Casablanca 125 units were completed, and the rest was done in the country's interior installations: Cabanas, Santa Cruz del Sur and Santiago de Cuba."

The ENA is located in the installations of the country's most important maritime workshops, in Casablanca. There is a dry dock and another floating dock for ship repair.

The first of these docks is the most important because of its capacity: Ships up to 136 meters in length can be docked here. The ships with the greatest tonnage that have been repaired here are the "Abel Santamaria," the "Lazaro Pena" and the "I Congreso del Partido," now in dock, with a displacement of 15,000 tons.

Ship repair in national shipyards means considerable foreign exchange savings, since our country pays foreign companies several million pesos annually for this work.

In accordance with the country's 1982 economic policy, the greatest efforts by Cuban shipyards will mainly be directed to repairing the greatest number of large-tonnage ships in the installations with the best technical facilities (such as the dock in Casablanca), where general freighters, tugs and units for coasting trade can be repaired.

Shipyards with a smaller capacity will handle "patanas" and shall ships in need of repair. Thus, large technical capacities will not be diverted, for these should be used for ships with larger tonnage, which traditionally have gone abroad for repair.



## BRIEFS

NICKEL, COBALT PRODUCTION ANALYSIS—Moscow, 19 April—The creation of new nickel and cobalt production capacities in Cuba will be one of the topics that the 103d meeting of the Council for Mutual Economic Assistance's (CEMA) Executive Committee, which begins here tomorrow, will analyze. The Cuban delegation will present a report on the conclusion of a general agreement for the collaboration of the CEMA countries in the development of this branch of industry, as was announced at a press conference. The secretary of the socialist economic integration agency also announced to newsmen that at the next meeting the papers prepared for presentation during the council's 36th round of sessions, to be held in Budapest from 8 to 10 June, will be reviewed. The council, which meets annually, is the higher organ of the CEMA, composed of 10 countries: the Soviet Union, the German Democratic Republic, Czechoslovakia, Cuba, Bulgaria, Hungary, Romania, Mongolia, Poland and Vietnam. At the press conference it was disclosed that the Executive Committee meeting would examine the report on the development of cooperation in the mutual production and supply of equipment for the nuclear power plants tomorrow. Another project that will be analyzed at this meeting concerns the manufacture of modern color television equipment that is up to world technical standards. At the meeting, which will end on the 22d, other topics relating to the multifaceted cooperation that is being developed among the member nations of the CEMA will be examined. Cuba will be represented by Council of Ministers Vice President Antonio Esquivel Yedra and other high officials of the different economic agencies. [By Jose Bodes of PRENSA LATINA] [Text] [Havana JUVENTUD REBELDE in Spanish 19 Apr 82 p 1] 11466

NEW CTC ID—AIN—The new CTC-Domestic Commerce ID for women workers will go into effect on 1 May, which is why those that have been used up to now will be invalidated as of 30 April. The distribution of the ID's, which are green and will be valid until 1983, will be effected through the labor organizations and only permanent workers and those absent from their place of employment for a limited time who are eligible for sick benefits will be entitled to them. Also those workers who are on maternity leave, internationalists and those who have been permanently mobilized as farm workers. Workers contracted for a given period of time who work on the basis of individual contracts will be able to make their purchases by presenting a copy of the contract that binds them to their jobs temporarily and it has been made clear that pensioners are not entitled to the ID's. The CTC's [Central Organization of Cuban Trade Unions] Department of Women's Affairs has announced that possession and use of the ID's by women who are not working will be considered a criminal offense. [Text] [Havana JUVENTUD REBELDE in Spanish 19 Apr 82 p 2] 11466

## CHARLES CHIDES PRIVATE SECTOR FOR FAILING TO TAKE ACTION

Bridgetown ADVOCATE-NEWS in English 29 Apr 82 p 10

[Text] ROSEAU, Dominica, Wednesday, (CANA) — Dominica's Prime Minister, Mary Eugenia Charles, has told businessmen that her Government was disappointed with the failure of the private sector to expand into new areas of trade and commerce. "I find the private sector have not come up to scratch, that they are not prepared to break new ground and unless this is done we are not going to get anywhere in this country," she said on Monday night. Government was prepared to work with the private sector in developing the country, but "we are not prepared to let the rest of the country go for the sake of the private sector," Miss Charles told managers and supervisors attending a seminar sponsored by the Barbados-based Caribbean Association of Industry and Commerce (CAIC) and the Dominica Association of Industry and Commerce (DAIC).

"The private sector have got a part to play in building this country...and they must not forget to play their part and they must not expect to be spoon-fed," Miss Charles remarked.

"It is time for us to break new ground. It is time for us to look at other ways, other

markets, at other sources. It is time for us to get out of the stereotype way of doing things...and (to be) going out with imagination to do the things that require being done."

She complained that the Private Sector Organisation here had been approached to get cement from a source at cheaper prices and had not taken up the offer, with the result that the Government had to do the importation. "This Government does not want to enter into the fields that the private sector should be looking after," Miss Charles said.

The CAIC's executive, Pat Thompson, said the private sector needs to be drawn into the process of national economic planning in order to help boost the economies of the region. Mr. Thompson said that such planning must not be carried out in an ad hoc manner.

"I think it is essential if such plans are to have any reasonable prospect of successful implementation then other vital sectors of the economy...need to be drawn into the process of national economic planning not in an ad hoc hit-and-miss fashion but in a serious, structured ongoing way characterised by the setting up of in-

stitutionalised mechanisms such as national advisory bodies which look at the premises of the national economic plan," Mr. Thompson said.

"The private sector needs to be aware of the real difficulties Governments face in setting a clear sense of direction for the economy, in effect developing a National Economic Plan."

Mr. Thompson said that the private sector on a whole was both sympathetic and supportive of the role taken by the various regional Governments in attempting to improve the economic situation in the islands.

He said that one of the basic problems facing regional Governments was that of population growth in the face of drying-up migration outlets.

"So what Governments are left to cope with is not only a tendency to higher population numbers overall but a population with disproportionately high percentages of young people on the one hand for whom it is increasingly difficult to get jobs and a rise in the number of older people pensions and other benefits have to be met from current revenues," Thompson remarked.

## BANANA INDUSTRY SHAKY; EXPANSION OF TOURISM NEEDED

Port-of-Spain TRINIDAD GUARDIAN in English 28 Apr 82 p 5

[Text]

ROSEAU, Tues., (Cana):

DOMINICA'S Tourism Minister, Henry Dyer, said yesterday the banana industry in the Windward Islands might exist for only another ten years, and Dominica needed to develop its tourist industry.

"How long can we depend wholly and solely on a banana industry... there is need to expand this (tourism) industry," the Minister told a Tourist Board-sponsored seminar on "expanding Dominica's tourism."

Mr. Dyer said it was the general opinion of many knowledgeable people that the banana industry, which accounts for 70 per cent of Dominica's foreign exchange earnings, would not survive for more than ten years.

Mr. Dyer said: "I think it is our responsibility to look at something else... what I think I would like to emphasise is that there is a need to look at tourism more closely."

"The banana industry in the Windward Islands is going through difficult times, and there are opinions which suggest that bananas will be with us for ten more years," he added.

The Dominican Minister said it would be naive on the part of Dominica to believe "that tourism is not and cannot be for us," adding: "Many countries depend on tourism for survival."

"It is important for us to develop an industry which in itself is self-sustaining."

"A responsible effective programme for the promotion of the tourist industry in Dominica should encompass not only the physical beauty of the island, but should also serve to highlight the entire life of the people."

"While there are some Caribbean islands with more favourable destinations, it does not mean that Dominica should not enjoy the windfall of visitors' traffic and foreign exchange, which constitutes a substantial proportion of Gross National Product (GNP), and would enhance the livelihood of the people of Dominica."

The Chairman of the Dominican Board and Government's Junior Agriculture Minister, Henry George, said: "We in the Tourist section are confident that tourism must compliment our agricultural sector."

## BRIEFS

HOUSING CONTROVERSY--ROSEAU, Tues., (Cana)--Dominica's Opposition Democratic Labour Party (DEMLAB) said today, Government's decision to dissolve the Housing Development Corporation (HDC) by July 1 would increase the unemployment situation. Government said last week that the State-run institution, was a non-viable operation, and it would have to increase the funds allocated to it. In a statement, DEMLAB said "in this post-Hurricane David and Allen reconstruction drive, it is incomprehensible that Government has decided to close down this most essential institution." "The recent statement made by the Minister of Home Affairs that the HDC is being closed due to the high cost of subventions for salaries and wages, is morally bankrupt and irresponsible." In a radio broadcast announcing Government's decision, Housing Minister, Brian Alleyne, said: "We have always held that the corporation's functions were not the collection of garbage and cleaning of drains and sidewalks, but the providing of housing, especially for the lower-income workers of society." [Port-of-Spain TRINIDAD GUARDIAN in English 28 Apr 82 p 5]

CSO: 3025/282

## INTERVIEW WITH FMNL'S FRANCISCO FLORES

Rome UNITA in Italian 18 Mar 82 pp 6, 7

[Interview with FMNL Leader Francisco Flores by Fulvio Diaferia: "Reasons for the Fight for Liberation in El Salvador"]

[Text] [Question] What are living conditions like in El Salvador?

[Answer] They have been very tense for too long. The country has 5 million inhabitants in an area of 21,000 square kilometers (as large as Lazio Province) with a density of 290 persons per square kilometer. Rural inhabitants represent about 60 percent of the population. Of this 60 percent only 37 percent has a steady job, 14 percent is employed for 9 months, 19 percent for 6 months, 30 percent for 2 to 3 months. There is a prevalence of seasonal work harvesting coffee, cotton and cutting sugarcane. Those who can't find work rent a small piece of land which they cultivate for their own consumption: corn, rice, beans. The rural population lives in wooden huts, without plumbing, electric light; they just barely survive. The price of 2.5 kilograms of powdered milk (most used throughout the country) costs \$4.00, the equivalent of a day's work for a skilled worker in the city. The wage for farm work is even lower.

[Question] To what extent are trade-union rights observed in El Salvador?

[Answer] The trade-union organization has been present in El Salvador since 1920. But this is not true in the rural areas where instead farmers' associations have existed for only a few years.

The oligarchy has permitted only skilled workers in the cities to organize trade unions with the understanding that they avoid speaking about progress and socialism. The trade union started organizing around 1970 in the rural areas but some organizations (such as the El Salvador Communal Union) were immediately financed by North American capital in order to control a situation that was becoming more explosive every day.

They are marxist and religious organizations (those that profess the famous "theology of liberation"). They promote cooperatives and other forms of association that permit a gradual consciousness raising of the right to organize.

[Question] What led to armed struggle? Why was it inevitable?

[Answer] The first historical date is the popular uprising of 1930-1932 the landmark after years of exploitation, oppression and all kinds of tyranny, that reached a climax in the elections of 1931. The results of those elections were not respected by the oligarchy and this led to a first armed clash. Obviously it was not the workers who wanted the conflict, but it was the oligarchy that opposed development of a peaceful process. It was a massacre: 30,000 persons, including Farabundo Marti, were indiscriminately cut down. This experience has remained impressed on our memories.

From 1932 to 1960, the only force opposing the regime was the Communist Party created in 1930, decapitated in 1932 and then slowly reorganized in all these intervening years.

In the 1960's, Cuba liberated itself from the Batista dictatorship and the masses throughout Latin America shouted: "Cuba yes, Yankees no!" in support of the Cuban patriots. Many guerrilla groups were formed in Nicaragua, Guatemala, South America, etc., but not in El Salvador. We at the time believed that first it was necessary to organize the working masses, that is, it was necessary to prepare the terrain for the armed struggle.

In the 1960's we tried to test all the peaceful possibilities offered by the regime, and these were not many, in order to promote the rights of the El Salvador people.

In 1962 a constitution was drafted which in some ways was democratic, but it soon turned out to be only a piece of paper. For example, when the Communist Party asked to be included in the electoral lists, the answer was negative with the excuse that until that time it had been a clandestine party.

In those years the Christian Democratic Party and the National-Revolutionary Movement (Social Democratic) were born; also created was the Party of National Conciliation which is the fruit of the alliance of the El Salvador army with the oligarchy. The intention was that this party was to be what had been represented by the Mexican Revolutionary Party, however, without ever having achieved a revolution. From 1962 to 1979 there was no armed struggle in the country and all our efforts were concentrated on legalizing the opposition parties and organizing the masses.

From 1971, after various experiences, Christian democracy acquired an increasingly greater weight in the country; thus there was an alliance among the three opposition parties into the National Opposition Union. The union won the 1971 elections but the oligarchy was fearful and so the government, through an electoral ruse, falsified the results. But everyone knows very well what the real story was.

Thus the mechanisms of warfare were armed: A military group arose to demand respect for the election returns. But this attempt was a failure because they [the leaders] did not seek the support of the masses and the attempt was excessively improvised. In any case the "military youth" was organized. It was led by Adolfo Majano, who was later to become a member of the 1979 junta.

Discontent was widespread in this period. Some groups left the Communist Party and others who already were operating outside of it went to prepare the terrain for the armed struggle. By now, it was the widespread will of the entire country to sweep away the military government, the symbol of oppression, of exploitation, and defender only of oligarchic interests.

From 1972 to 1977, the opposition continued to participate in the elections (there were elections every 2 years for mayor or deputies, and every 5 years for the president) with the result of once again seeing votes stolen. This now led to the conclusion that the El Salvador election system served only the interests of the oligarchy.

Thus all the democratic phraseology used in 1962 with the issuance of the constitution was shown to be false.

In 1977 there was a final presidential election. The opposition presented an old retired military man. The objective was to oppose the military junta whose name was Ernesto Claromont. The Party of National Conciliation presented Carlos Umberto Romero, who proclaimed himself president of the republic the day after the elections without even waiting for the votes to be counted. In some areas of the country it was not possible to count the votes because parafascist groups destroyed the polls and provoked the people who went to vote.

On 23 February the central square of San Salvador was occupied until 28 February (1977); the occupiers demanded respect for the election results and that eventually there would be new elections, that General Romero not proclaim himself president.

In response, the government sent the army to carry out one of its countless massacres: About 500 persons were felled, either dead or injured. In succeeding months, clashes in other cities of the country (Santa Ana, San Miguel, Sonsonate) continued and soon the list of dead rose to more than 1,000. The social conflict that we have tried to maintain on a peaceful plane was thus forced by the army and the oligarchy onto a purely military plane.

It is they who impose armed struggle.

The guerrilla warfare that was born in 1977 was not like that that arose in other areas of Central-America (a kind of fire-fighting, in the style of "Che Guevara," to be clear about it); it was born in the urban centers as an urban guerrilla movement and also in the rural areas as part of the mass movement; it was supported by the workers and the farmers. It was they who helped the guerrillas in their actions and they provided food.

We profited from the experiences of other peoples in Latin America, first of all the Chileans. For many years we had tried the electoral confrontation and the results were always either fraud or massacre.

Our critical economic and social condition and all these other elements explain why we decided to engage in armed struggle in El Salvador.

The positive experience of the people of Nicaragua which united all its forces to defeat the dictatorship showed us that the road we had followed until then was right. In 1979, following widespread discontent among the armed forces and under the pressure of Carter, Romeo [as published; possibly Romero] was removed and he was succeeded by other military leaders. Civilians began to participate in government. The junta was now composed of a progressive wing headed by Adolfo Majano and by a fascist wing led by Abdul Gutierrez and Guillermo Garcia (the present infamous defense minister).

[Question] How did the Christian Democratic Party ally itself with the military and switch from opposition party to government party?

[Answer] The Christian Democratic Party has always been a reformist anti-militarist party that planned to offer itself as the principal government party. Composed of average businessmen and enlightened intellectuals, the little that it revealed about itself appeared to be a progressive party. Duarte was an ambitious person. In 1972 he was the opposition candidate and immediately after the coup d'etat he was exiled to Venezuela where he remained until 1979. In any case he could not have been able to appreciate the changes that had taken place in our country during his 7 years of exile.

The 1979 government, even though it remained in the hands of the military, was composed of the best technicians and politicians our country had ever produced. And proof is the fact that many laws issued by that government were fought and boycotted by the military.

You can imagine how mass discontent grew, and along with it, their [political] consciousness. From October to December 1979, following conflicts within the government, the first resignations took place: Some men of the Christian Democracy, socialists and communists. The reorganization that followed it affected only, in addition to the usual military personnel, some Christian democrats and some independents. Of special note is the fact that Napoleon Duarte became a member of this government. It is necessary to keep in mind that the El Salvador church had in the same period declared that Catholics could not continue to be members of governments manipulated by the military because it had been demonstrated that under those conditions it was impossible to make laws favoring the people. But Duarte maneuvered behind the back of his own party, and so many intellectuals and Christian democratic leaders abandoned the government and then the party.

In March 1980, Bishop Romero was assassinated. From 1977 (the year of his election) he had incessantly denounced crimes against the El Salvador people. Romero accused the government of which Duarte was a member. He accused the Christian democratic leader of being neither democratic or Christian, because he continued to remain in an antipopular government. In April 1980 El Salvador's Revolutionary Democratic Front was born. Participants in it were the old opposition which had shared the government for 3 months, and the new opposition. Important Christian democratic leaders are members of the Front: Rubens Zamora, Francisco Diaz, Ector Dada Hirezi. In short, the entire opposition--including even sectors that had agreed to collaborate with the junta for a short period--were members of the Front. On 10 January 1980 the Unified El Salvador Organization of Armed Salvadoreans was born, and on 11 January, the revolutionary mass coordinator--which together with that sector of the old opposition that had abandoned the junta--created the FDR [Revolutionary Democratic Front] in April.



[Question] What is the Revolutionary Democratic Front's political platform?

[Answer] First of all to defeat the existing dictatorship and to create a democratic and revolutionary government. No facile parallels with the Nicaraguan reality should be drawn. They fought against a dictator who possessed 50 percent of the country and they therefore were able to achieve a very vast unity against him. In El Salvador, power is much more articulated around the 14 or more families that represent the oligarchy.

We want to form a government composed of all those political, trade-union, and social forces that oppose the dictatorship of the military junta supported by the oligarchy and supplied by American imperialism. It must also be recalled that the trade-union movement is very widespread, organized, and has achieved a high level of awareness. Even the farmers, the intellectuals, the students, are social categories which have achieved a high level of political maturity. These conditions permit us to aim at long-range objectives. We want our country to become one of the non-aligned nations, we want to be members of a neutral Central America, in order to make this region of the globe an area of peace. Concerning this we are in full agreement with the Nicaraguans.

[Question] What industries will be nationalized under that platform?

[Answer] Our kind of farming unlike that in Nicaragua, requires a different reorganization of property. For example, there are the farmers' associations that want special conditions of transformation that will be useful to their welfare. Our struggle does not plan to hurt the small and medium owners, but only the large land owners. Furthermore, we plan to nationalize the large industries financed by foreign capital, such as the petroleum refineries, the large monopolistic businesses. Small and medium industrialists will not be affected by nationalization.

[Question] Is it merely for economic reasons that the United States so stubbornly opposes your victory?

[Answer] No, the reasons are mainly political, since we are a truly small partner in the trade relations with the United States, the United States does not share interests with us as they could have as a result of copper mining in Chile.

What the North Americans really fear is that we can become independent from them and represent an example for all the others.

But we demand the right to self-determination because this will above all mean prosperity for the working masses. Consider that the average age in El Salvador is barely 55 years. In El Salvador everyone is young. More than half the population consists of children 15 years old. And of these, many will die early or due to inhuman conditions in which they work, or to malnutrition. These conditions can no longer be tolerated! These are the roots of our struggle. If to these elementary problems you add the absence of the most elementary rights as a people and as a nation, of which the United States deprives us even today, deciding to whom we may or may not export our products, you will understand how right this struggle is.

[Question] What is the source of weapons used by the Frente Marti di Liberazione Nazionale [Marti National Liberation Front]?

[Answer] Since 1973 we have been saving money for the purchase of weapons. But those we buy are a drop in the bucket compared with those we take from the enemy. Especially over recent weeks, the more arms arrived at Durate, the more we succeeded in taking for ourselves.

These data are confirmed by the North American newspapers. Everyone knows that the black market in the United States sells arms to liberation movements including our own.

The stories that we receive aid from neighboring nations are completely false; if we had received them, we would have won already! We only have light weapons, infantry weapons, we have very little artillery, and we also have weapons that we built ourselves with our ingenuity.

[Question] What are you asking the European governments and workers to do for you?

[Answer] We ask above all condemnation of the aid the United States is giving the military junta. This help serves only to destroy our country, to permit the junta to continue to murder women, children and old people indiscriminately. The aid is reaching such a level that it is just short of direct intervention by the North Americans. We therefore ask above all to continue to denounce the danger that is represented by the aid and support the United States gives to the military junta. Intervention inevitably would mean a regionalization of the conflict; the war would spread beyond the frontiers with imaginable consequences.

We also have great need of material aid. We must help the thousands and thousands of refugees who arrive in the liberated areas. In these areas last year we calculated that there was an influx of about 85,000 refugees who obviously represent a burden for our organization.

[Question] Do you see a political solution to the armed conflict?

[Answer] Certainly, if we are at war it is not because we wanted war. War is an inevitable point of arrival made necessary in order to respond to the violence of the government against our people. The discontent of the El Salvador people was organized within the FDR and the FMLN in order to have a government with broad social participation. We have a program that we want to continually refine in order to make it adequate for the needs of a modern democratic and revolutionary state.

The struggle has reached high levels. One-fourth of the national territory is controlled by our forces. However, it is not in our interest that this war continue. The cost in human lives is very high and our people are paying for it beyond all measure. Our people are peaceful and this is why since last year we have tried various times to offer a political solution to the conflict. On all these occasions we received a negative reply both from the El Salvador government and from the United States.

oth hope to eliminate us physically and to thus continue their policies against the people, and for this reason they see only military solutions to the conflict.

Recently we sent a letter to Mr Ronald Reagan, President of the United States, signed by five commanders of the FMLN in which we once more stated our willingness to negotiate in order to put an end to this conflict.

So far we have not received a negative reply. Our proposals must not be considered an act of weakness; on the contrary today we are much stronger. But until today the combined action of the El Salvador army, of the paramilitary gangs supported by United States imperialism has caused 32,000 victims, including Bishop Romero, 400,000 El Salvadorans have had to abandon their places of birth in order to escape the atrocities of the government's armed forces, who with a scorched earth logic kill every living thing they find. When they do not succeed in battles with us, they take revenge against everyone they find during their retreat, not to mention the destruction of harvest, homes, and every other material good they come across. Therefore we repeat the desire for a political and not a military solution to the conflict in order to end the destruction.

The military-demochristian junta still seeks to deceive the masses by announcing an election for 28 March. This would serve to open political space for them on the international level which they do not have today; it would also serve to patch up the political contradictions that have developed within the government itself.

These elections are really a farce and a cynical act against the El Salvador people and against international public opinion because above all they would take place in a climate of violence, of terror, during a war and with one quarter of the national territory under our control. Furthermore, throughout our history, election results have never been respected when the people's candidates have won; you can imagine what will happen now! They have engaged in too many deceptions which they have used to give credibility to these elections from which we have been excluded.

Duarte also has sent observers who would verify that the elections take place according to the rules. But this is a demagogic move that simply aims at international acceptance of the results, which already can be taken for granted. They thus want to legitimize a government never elected by anyone, established on criminality and repression.

We want overall political negotiations first, and then perhaps an election. First it is necessary to establish a calm atmosphere in which the political forces can freely express themselves. Today the entire opposition does not have a right to speak; all means of communication are in the hands of the government. Only they are able to publicize the elections. Therefore we say: No to the farcical elections; to this campaign maneuvered by the North American government and which has very little support and membership.

There also appears to be the possibility of intervention by Argentine armed forces who have announced their willingness to permit the North American government to maintain its distance. We also ask that this maneuver be forcefully denounced.

(From "Lotta per la pace" [STRUGGLE FOR PEACE] No 2, 1982)

## AMBASSADOR TO UN CASTILLO ARRIOLA ON BELIZE, HUMAN RIGHTS

Guatemala PRENSA LIBRE in Spanish 3 April 82 p 4

[Text] "Guatemala will maintain its position with respect to the Belize problem, and will demand the fulfillment of the grounds for understanding," said yesterday to the press Eduardo Castillo Arriola, our country's permanent ambassador to the United Nations.

He noted that the referenced grounds, comprising a total of 16 points which set the course to be followed in granting independence to the territory of Belize, were signed in March 1981.

"Among those points, Guatemala would have the right to the use and enjoyment of the keys of Zapotillos and Ranguana, to the construction of an oil pipeline from Peten through Belize to the Atlantic, as well as other guaranties.

"Unfortunately, Great Britain did not fulfill the agreement signed at that time and granted unilateral independence to the territory of Belize, with total compliance of all the countries that make up the United Nations, with the exception of Guatemala."

Castillo Arriola indicated that Guatemala will firmly maintain the validity of the foundations for understanding. Its position in this regard is constant, and it believes that these foundations are ideal for the definitive solution of the problem.

In other declarations Guatemala's permanent ambassador to the United Nations made reference to the poor image of our country abroad, especially during the administration of the previous government in view of the fact that delegates of the International Human Rights Commission were not permitted to come to Guatemala.

"I was representing Guatemala in 1981 at the Geneva meeting on human rights. On that occasion I offered to urge my government (President Lucas Garcia) to permit an envoy of the indicated commission to come to Guatemala, but it did not come about.

"On several occasions I insisted on it, in order that the Human Rights Commission could have reliable information on what is really happening in Guatemala.

"I wanted it to be known that the violence was generated by three clandestine fronts: by foreign interference, by paramilitary groups of the extreme Right and by ordinary delinquency.

"The Commission could not get a first-hand look at these problems, and therefore the image of our country worsened as time passed.

"Fortunately, Guatemala's situation is now in a new cycle. The government military junta has offered to respect human rights and to open the doors to whomever may want to come and observe the manner in which the country is being directed onto eminently democratic paths that will lead to peace and tranquility."

Castillo Arriola indicated that he will be in the country for a few days. He came here only to spend Holy Week and to recover from some health problems.

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CSO: 3010/1412

## GONZALEZ ON TRAINING, OPERATIONS, OBJECTIVES

Havana TRICONTINENTAL in Spanish No 79, Jan 82 [no page No. given]

[Text] For the last year the Popular Front 31st of January [FP-31], made up of six organizations including peasants, workers, students and Christians, has been operating in Guatemala.

In an interview by TRICONTINENTAL, Fernando Gonzalez, leader of this mass revolutionary organization, gives details on its characteristics, functions and objectives.

We can see the forerunners of FP-31 January in the organizations making it up. Each one has been active approximately 4 years, and they accomplished their objectives in different sectors, but at a specific time, or for some activities the work was coordinated so that the actions would be more extensive. This need to unite in order to carry out activities of greater quality and in greater numbers was the starting point and is the reason why these organizations are combined in a united front, known today as the Popular Front 31st of January.

The Front was created 21 January 1981. This date was given as the name in honor of the victims of the repression by the regime of Romeo Lucas Garcia during the occupation of the Spanish Embassy in Guatemala City in 1980, and it arises as an organization seeking to rescue the struggle of the masses in Guatemala following the reverses suffered through the assassination of several leaders and the destruction of some organizations.

The Front is made up of the Organization of Revolutionary Workers Cells, which works directly with the laboring masses; the Committee for Rural Unity, which works on a national level, and since Guatemala is a predominantly rural country, we could say that it is one of the largest mass organizations in Guatemala; the Robin Garcia Student Front at the university and middle secondary school level; Settlers Coordinating Group, composed of the inhabitants of the marginal barrios, which is struggling to obtain better living conditions (electricity, water, decent housing, etc.); and finally we have the organization Revolutionary Christians Vicente Menchu. This organization mobilizes Christian strength and accepts revolutionary violence as a form of struggle to gain a free Guatemala. In our country the alternative is to organize and defend oneself and work to achieve economic, political and social demands.

The FP-31 is primarily seeking to prepare and accustom the masses to a popular war to overthrow the government of Lucas Garcia, and to implant a popular and democratic government, in addition to contributing to developing and consolidating the actions of the six constituent organizations.

Because of its particular characteristics, the Front does not pretend to be a mass organization reaching 50,000 or 100,000 members, but it sees its fundamental task in making leaders, setting up cadre to lead the insurrection and partial strikes and actions that definitely are going to determine the overthrow of that government and any other that may be imposed. Thus, the FP-31 is seen as an instrument in the struggle for the Guatemalan people.

In our goal of preparing the masses for a confrontation with the enemy, we train our members and the people in tasks such as setting up barricades, making propaganda bombs, distributing propaganda, sabotage, burning cars and making Molotov cocktails. It is a full course of instruction for the people on the use of popular arms how they are made and in which activities they are put to use. Those are some of the tasks that we are now pushing.

Our actions now take in 10 of the 23 Guatemalan departments. There the FP-31 is a formidable presence that allows us to carry out simultaneous actions in a coordinated manner. An example of this was 1 May 1981, when we detonated 60 bombs at 7:15 am in the heart of Guatemala City, a deed in which about 250 participated. It was successful because we did not suffer a single casualty, we brought our revolutionary message to the people, and we forced the regime's troops to mobilize for the entire day.

In our country mass struggle has to take on very special characteristics. Schematically Guatemala can be compared with no other country, because there are unique circumstances there. Therefore, we use methods of secret work and forms of struggle in accordance with those special conditions. We thus demonstrate to our people that one can fight even under a climate of repression, and how we have been able to mobilize ourselves, to wear away at the enemy by mobilizing him or confining him to the city.

Not even legal organizations such as unions can function in Guatemala. It makes no difference whether one is carrying a bulletin from a union or from a guerrilla organization, because either one can constitute grounds for an assassination. Therefore, the delivery of fliers from one place to another must be done secretly. That is what we have best been able to do to contribute to the struggle, since these methods have enabled us to continue to progress and develop ourselves at levels that often not even we thought possible to achieve.

For example, when we intend to transport propaganda we do it using small packets, even if that means more trips for us. We do the same thing when we plan to set up a barricade. Three days in advance we buy the gasoline, we look for the tires, we buy the other materials, take them to a comrade's house, and there they remain until it is time to use them.

In contemplating FP-31 methods, I would say that our work is more secret than it is clandestine, because clandestine work is somewhat different from what we do. The FP-31 leadership knows all of its members and all of the members know the leaders. If we have to carry out an action only the participating comrades know,

for security reasons, but at an FP-31 meeting everyone knows everyone else, their names, where they live, in contrast to a clandestine meeting, where no participant knows the names of the others, and everyone is hooded, so that no one is recognized.

We have some experience on what to do. The struggle has to be massive and be waged in production branches fundamental to the Guatemalan economy. It is here that they are vulnerable, because the Lucas Garcia regime is not so brazenly repressive in these branches as it is in other areas of the economy. An example of this is the struggle for the sugar harvest that took place in February 1980, in which approximately 100,000 sugarcane cutters took part. On that occasion the peasants confronted the army with raised machetes, and government forces were unable to force that entire mass to retreat, because they could not bombard them. If that confrontation had taken place on the country's high plains, say during a wheat harvest, possibly they would have massacred everyone, but since it occurred in a fundamental branch of the economy, they had to recognize and accept the peasant's petition. This has given us a model for how our struggle should develop.

Unity is a determining factor in the struggle of any people. The leaders of Guatemalan organizations have reached a degree of maturity that lets them see unity as a fundamental basis for the development of the revolutionary process, but that same maturity implies that they are realistic in regard to unity.

We cannot conceive of an idealistic unity. It should be founded on reality; the different military, progressive and popular forces must agree on all aspects in order that that unity does not disintegrate when the moment comes for the final offensive, at the beginning of a decisive phase in the process.

We are immersed in what amounts to a people's war. We are evaluating the situation and planting our feet on solid ground in order to be able to achieve real unity. The process started about 2 or 3 years ago. Differences exist, but they are being discussed in order that a certain level of unity can be achieved, upon which plans may be made for joint work and even for establishing a government program. Considerable progress has been made in this aspect, to the point that certain expeditions have been carried out together.

We recognize the undeniable vanguard of the revolutionary process in our country, in the unity of the EGP [Guerrilla Army of the Poor], ORPA [Organization of People in Arms], FAR [Rebel Armed Forces], and PGT [Guatemalan Labor Party]. We are only awaiting the call, we are only waiting for the formation of a political petition; then we, as FP-31, will be able to contribute our entire strength, our entire fighting capacity. For the moment we remain within the process of the popular war, developing our actions, and wearing down the enemy.

Unity is in progress, it is advancing; it is difficult, but we are certain that we can unite in many aspects. We can go far, because we know that in unity lies a fundamental factor for the struggle.



## BRIEFS

NEW OPPOSITION ORGANIZATION--A new instrument of solidarity with the Guatemalan people's struggle has just been created in exile under the direction of a group of Guatemalan personalities, including the poet and essayist Luis Cardoza y Aragon--who presides over it--and the writer Guillermo Toriello Garrido. Also taking part are: Manuel Galich, playwright; Carlos Paz Tejada, civil engineer; and industrial workers Miguel Angel Albizuere and Israel Marquez Pivaral. The Guatemalan Committee for Patriotic Unity [CGUP] has the goal of internationally denouncing the crimes of the dictatorship and the exploitation of the Guatemalan people. The CGUP will make known the true political, economic and social situation as experienced by the country. The directorate of the new organization declares itself linked to the recently constituted--in the country's interior--Guatemalan National Revolutionary Unity, formed by the four political and military revolutionary organizations now facing the weapons of the genocidal regime: the People's Guerrilla Army, the Rebel Armed Forces, the ORPA [Organization of People in Arms] and the Guatemalan Labor Party--the nucleus of the directorate. [Text] [Havana BOHEMIA in Spanish 26 Feb 82 p 66] 9746

CSO: 3010/1412

## MANLEY GIVES OPPOSITION BUDGET SPEECH IN HOUSE

Kingston THE DAILY GLEANER in English 30 Apr 82 pp 1, 20

[Text] THE LEADER OF THE OPPOSITION, Mr. Michael Manley, said yesterday that the Opposition had "grave suspicions" that the Government was thinking of re-neging on its pledge about electoral reform.

"As far as we are concerned, this matter will be the vital test of whether there is any basis for any kind of good faith in this country whatsoever; and we will not regard ourselves bound to any of the normal rules of co-operation or participation unless the solemn pledge given in 1980 is kept and adhered to in its strictest form," Mr. Manley said.

The Opposition Leader was delivering a four-hour Budget speech in the House of Representatives.

Mr. Manley said that agreement was reached in 1978 after serious discussions and was reached "solemnly" that electoral and constitutional reform would go forward together, that an interim electoral committee would be appointed and at the earliest opportunity that would be turned into an Electoral Commission that would be entrenched in the constitution.

He said that it was also agreed that in the interim the electoral committee would be set up as a body corporate and given all the resources it needed to reform the electoral system as it saw fit.

"Our side carried out our side of the bargain," the Opposition Leader said. "It is a matter of history that the committee was established, that representatives of both sides sat on it."

Inadvertently, the subject was placed in the Ministry of Health in the 1980 Budget and when that was pointed out, there was the immediate assurance from his side that it would be corrected in the following Budget, if it was in their power to do it. It would be set up in 1981 as a body corporate.

The essence of that was that the committee would have genuine independence and would have allocated to it adequate resources to do its job and that there would be a general attitude from whoever was the government of co-operation to do its work.

SINCE OCTOBER 1980 the Opposition has been very concerned about what is taking place and wanted it to be placed on record.

From the time of October 1980, no action has been taken to make the committee a body corporate.

From 1980, the committee had agreed that the best system for voter registration was one based on the photography of voters. The committee estimated the cost at \$11 million. The Ministry involved agreed but further work showed that the photographing system would take a long time.

Mr. Manley said that his advice, which arose from the committee itself was that when the matter was addressed this year it was shown that the cost had climbed from \$11 million to \$13.2 million as an effect of inflation. It was said that it is very urgent to start it this year and a plan set up to start enumeration by June.

Months passed without any action and after a letter seeking clarification they were told that it had to be put out to tender although the Government has twice dealt with the Thomas de Larnue Company and the unanimous decision of the committee was that it was the best system.

The advice which came from the committee was that, at the rate of which the matter is being postponed, they were confident that they could not get the system into effect by 1984, and a Local Government election was due by 1984.

One of the solemn pledges was that no future elections would be held until the system was in place, although the Local Government elections in 1981 had to be overlooked.

"Our position is that we feel that the way the matter is being handled is giving rise to grave suspicion on this side that the Government is thinking on reneging on its pledge," he said.

In the circumstances, his party was calling on the Government to reconsider the matter and to let the money be made available so that the system could be put in place and the registration started.

ON THE RECOVERY PROGRAMME, Mr. Manley said that the surplus of U.S\$39 million in the Balance of Payment, told to the nation by the Prime Minister, was the evidence that substantiated that recovery was taking place and that the recovery programme was on schedule.

It was important, he said, "that we seek to analyse this, because while it is critical to everybody that recovery takes place, it is important that the people are not misled with an over-optimistic view."

A lot was being made of 1981 performance figures in comparison to 1980, but the question to be asked was whether 1980 was a normal year.

Mr. Manley said it was an extraordinary year. There was the election, coupled with maximum uncertainty, unprecedented violence, hundreds were killed. That degree of violence, however caused, made the year an extraordinary year.

A distinguishing character of the year was the level of confrontation which had taken place.

In 1981, there was no election, no violence, and no confrontationist politics. So, with the return to an atmosphere of peace and normality, there should be some "bouncing back" in the economy.

The Minister of Industry had tried to impress the country with the "great growth" in industry from minus 11.7 percent in 1980 to 0.4 percent in 1981.

"This was achieved in a peaceful year, with no elections, no killings, no violent opposition, and it is the same production as the P.N.P. achieved with violence, death confrontation and election," Mr. Manley said.

ON THE POINT that successes were achieved by the Government in the worse year since the depression, Mr. Manley conceded that there was 1 percent cutback in world trade last year and mild, though protracted, recessionary circumstances in the world economy.

The United States realised a growth of 1.9 percent in its real G.N.P. but there was a 1.5 decline in output in Germany and Britain. Unemployment levels, however, were very high reaching 9 percent in the United States, 11.6 percent in Britain and 7.3 percent in West Germany.

Even though interest rates remained high it declined from 21 percent in the United States to 16 percent and Britain fluctuates between 14-15 percent.

Apart from the decline in oil prices, the most positive development of 1981 was the decline in inflation rates from 12.4 in 1980 in the United States to 8.9 percent, while in Britain it declined from 15.5 percent in 1980 to 12 percent in 1981.

"While the cut-back in purchasing power in the industrial economies has affected our exports and high interest rates made loans very expensive, these developments are nowhere as near as the truly tumultuous developments of the 1970s. For one, there was tremendous instability in the international monetary system, the British pound was devalued in 1972 affecting the purchasing power of our exports and receipts for sugar and bananas. The U.S. dollar came under tremendous speculation in the early part of 1973 causing its devaluation by 10 percent on February 13, 1973.

"All of these developments put Jamaica's balance-of-payments under tremendous pressure," Mr. Manley said, adding that there was a tremendous increase in the price of oil and decline in export opportunities with \$121-million being cut off Jamaica's export earnings.

It was really "extreme over-exaggeration" to say 1981 was the worst year since the Great Depression, but it showed that the Government at last was recognising

that the international environment affected countries like Jamaica" after years of opportunistically dismissing our explanations to the Jamaican people as mismanagement."

MR. MANLEY SAID 1981 was the first complete year of the Government's programme and, according to the Government, everything was on schedule.

But, he said, a number of targets announced at that time had already been pushed back one year. The original time-frame as stated in the I.M.F. Agreement, was three years. While all major objectives had been pushed back to four or five years.

For example, sugar output was supposed to increase to 330,000 tons by 1983/84. Now this target is to be attained in 1985. Banana output was supposed to reach 120,000 tons by 1983/84. Again, this target was also to be attained in 1985. Earnings from non-traditional exports were supposed to be double within three years, but last year's increase in earnings were only \$15.7 million--14.2 percent more than in 1980.

Bauxite output was to increase by 50 percent and the I.M.F. Agreement was predicated on this assumption that this would happen. However, this was not on schedule, Mr. Manley said.

CSO: 3025/281

## OPPOSITION FINANCE SPOKESMAN CRITICIZES SEAGA BUDGET

Kingston THE DAILY GLEANER in English 28 Apr 82 pp 1, 13

[Text] OPPOSITION SPOKESMAN ON FINANCE, Mr. Seymour Mullings, told Parliament last night that the 1982-83 Budget "stripped to its essentials offers precious little to the vast majority of our people".

Mr. Mullings was opening the Opposition response to the presentation last Thursday of Prime Minister Edward Seaga who began the Budget Debate in the House of Representatives.

Matching the marathon effort by the Prime Minister, Mr. Mullings spoke for more than five hours in wide-ranging criticism of what he saw as inadequacies in Housing for example, and of what he said was a bias toward the rich to the disadvantage of the poor.

Mr. Mullings said his party will ensure that the public is not blinded and mesmerized by figures from the Government.

The Opposition had accepted the responsibility to put the case of the majority of the people in ensuring economic growth and social justice.

Mr. Mullings said that however much of the statistics produced by the Government were honestly compiled, the reality was that they did not accord with the everyday experiences of the people.

MR. MULLINGS SAID: "Mr. Speaker, in my view, good government is not about statistics; good government is about people.

"The Government has been able to get away with this deception because an environment has been created in this nation of acceptability of some of the most pernicious actions without a whisper of a complaint. Our undertaking not to confront the Government must not be taken as an offer to lie down and be trampled."

He continued: "This Budget, stripped to its essentials, offers precious little to the vast majority of our people. "The Budget tabled by the Government is significant for what it excludes as well as what it includes. The Government's silence on the question of shelter and housing is deafening."

He said that it was clear that the Government was expecting the people to structurally adjust and accept the fact that, in the Jamaica that has been created, an average Jamaican can no longer hope to own his home and in the meantime to be harassed by high levels of rentals.

Mr. Mullings said that the Opposition would have expected that the Government would have used the Budget to redress at least some of the social imbalances brought about by the excesses of the market.

He said that Government's task should not be ever to assist the rich and the powerful against the weak and the poor. He said that this was clearly the effect of Government's action in some areas and negligence and inaction in others.

Mr. Mullings continued: "The country can rest assured, Mr. Speaker, that this Opposition will ensure that the public is not blinded nor mesmerized by figures. We accept the responsibility to put the case for the majority of our peoples and to ensure economic growth and social justice, the twin engines for development for this country of Jamaica land we love."

SPEAKING ON THE GOVERNMENT'S PROPOSAL to exclude some 300,000 farmers with land valued at \$2,000 and less from taxation, Mr. Mullings said that the Government should be reminded that the tax receipts of many of those small farmers were used to ensure right of ownership.

On the Income Tax exemption for farmers of food crops, he said that only a small percentage of the farming community would benefit and that the proposal was a "hollow gesture."

However, it showed that the Government was conscious of the fact that the farming community has been "taking a beating" over the past year and the proposal was a form of encouragement.

On the exemption from income tax of the earnings of the disabled, Mr. Mullings said although it was a "commendable gesture" it would have very little impact on the disabled as only 2% of them have jobs and only a small fraction earned taxable incomes.

On the proposal to computerize the collection of payments on motor vehicle licences, he said that that was also an "admirable" proposal, but with the present unreliable nature of the power service, emergency plants were needed at all tax offices.

He said that the purpose of the tax reforms was that since the Government had to show a surplus on Current Account this year, measures had to be introduced to burden the tax-payers this year.

Some \$310 million more than last year would be collected by the Government, while it told the country that there would be no increase in taxes this year.

SPEAKING ON THE INCREASES in pension payments, Mr. Mullings said that the proposals were a "step in the right direction" and would allow some 57% of the pensioners to move up to the level of the minimum wage.

While the Opposition appreciated the move, however, it was inviting the Government to take note of the anomalies which still existed and to review the situation and grant whatever assistance could be granted. He also suggested supplementary increases to persons assisted by the Widows and Orphans Fund.

Speaking on de-regulation of the economy, Mr. Mullings said that the opening up of the economy to imports and foreign investments could lead to foreign domination of the economy.

Local companies would not be able to survive against the "awesome international competition", and there was the possibility of the elimination of local producers and the dominance of the economy by foreign multi-nationals.

Small businesses would be left to be dominated by large businesses and the big firms would get bigger at the expense of the smaller ones. If the Government began to depend on markets to allocate resources and goods, it would end up with unequal allocation, he said.

ON THE IMPORT OF CHEAP FOODSTUFFS, Mr. Mullings said he believed that the Ministry of Agriculture was aware that the Government policy was leading to lower returns for the farming sector, since cheap food imports lowered the price of food grown locally.

Unregulated imports meant that the Government had little influence over what was imported, and the projections for "No Funds" licensing had been greatly exceeded.

Although the "No Funds" figures were exceeded, there was only a 0.4% growth in the manufacturing sector which suggested that licences issued for raw materials were being used for something else.

On the balance of payments, he said that although exports only grew by 2%, imports grew by 26%.

Receipts for bauxite and sugar were down and although non-traditional exports rose, less money from that area was lodged in the Bank of Jamaica.

MR. MULLINGS SAID he did not think that the productive sector could afford to relax because of the announcement of a foreign exchange surplus announced by the Prime Minister, but this could be encouraged by the announcement.

The Opposition opposed the "black market" in foreign exchange and did not share the view that it could not be controlled. The parallel market was a "sliding devaluation" and discriminated against the smaller businesses.

Now that In-Bond shops and hotels were to be allowed to keep some of the foreign exchange they earned, he wished to know whether the tourist industry would be used to replenish the parallel market.

If this became the case, what was earned would be used for the benefit of a few, and formerly honest firms would be forced into "auctioning" U.S. dollars.



On the reduction of inflation, from double to single digit figures, Mr. Mullings said that the true picture could not be obtained from the overall, although this has been the case for several years, but by looking at specific consumer items.

While the Index had shown only a 4.6% increase, there were big increases in the price of several items, including bread, rice, counter flour, chicken.

SPEAKING ON BAUXITE, Mr. Mullings said that the massive borrowings from the International Monetary Fund and other lending agencies were based on the projection of an increase to 18 million tons of bauxite produced by 1983, which would amount to a 50% increase in three years.

The Government and the I.M.F. may have known that it was a wrong assumption in view of the prevailing soft market, but used the figures nevertheless.

On Agriculture, he said that a 5.6% projected growth which was stated in the half-year Economic and Social Survey last year, had been reduced to 3.5%, which meant that in the second half of the year production level had dropped.

On Tourism, he said that the Opposition would not dispute the figures, but the Government had done nothing to protect the hotel worker in its "indecent haste" to divest the hotels. Jamaicans were being replaced by foreigners at many levels in the hotel industry.

On the Civil Service, Mr. Mullings said that that body was being forced to adjust under the weight of political pressure and a wide cross-section was being undermined.

Finally, he said that the last 18 months was a period of "great deception" and what was being projected by the Government did not reflect the experiences of the average Jamaican.

CSO: 3025/280

## SURVEY SAYS ECONOMY POISED FOR GROWTH; 1981 GAINS NOTED

Kingston THE DAILY GLEANER in English 28 Apr 82 pp 1, 13

[Text] THE JAMAICAN ECONOMY is poised to re-enter a period of vigorous growth, according to an overview contained in the ECONOMIC AND SOCIAL SURVEY for 1981 which was tabled in the House of Representatives yesterday.

Said the overview: "The year 1981 may be seen as marking a significant turning point in economic performance. As might have been expected, the start of the recovery process was slow but given such factors as the heightened level of investment activity and the de-escalation of price increases, the economy is poised to re-enter a period of vigorous growth.

The improved performance of the economy during 1981 which had been projected by the Mid-Year Economic and Social Survey, materialized. This is evidenced by the out-turn of the key economic indicators for the twelve-month period January to December, 1981:

(a) Gross Domestic Product measured in constant prices increased by 2.0 per cent, moving from \$1,850.7m in 1980 to \$1,887.4m in 1981. This compares very favourably with a decline of 5.4 per cent in 1980 or an average decline of 2.8 per cent during the period 1973 to 1980.

(b) Employment: The growth in output was accompanied by an expansion in employment opportunities. Between November 1980 and October 1981, there was a net expansion in employment of 24,100 persons. Of these, 18,100 were placed in jobs in the period April to October 1981. This brought the number employed in October, 1981 to 761,400, an increase of 3.3 per cent over November, 1980. For the calendar year 1981, average annual employment was 32,000 higher than that of 1980.

The labour force expanded by 15,900 persons or 1.6 per cent to reach a total of 1,022,800. This growth was recorded in the period April to October 1981. The growth in the labour force was, however, more than matched by an expansion in employment opportunities resulting in a modest reduction in the unemployment rate from 26.8 per cent in November 1980 to 26.2 per cent in April 1981 and by a further 0.6 per cent to 25.6 per cent in October, 1981.

The net expansion in employment was spread over all but three sectors, namely agriculture, transport, communications and public utilities and public administration. The largest increase took place in the commercial sector where 10,900 of the additional jobs were provided. Large increases were also recorded in the "other services" and construction sectors where employment increased by 7,900 and 5,700 persons respectively. In terms of average annual employment, the transport, communication and public utilities, and the public administration sectors were the only ones to experience lower levels in 1981 than they had in 1980.

(c) Manpower: The output of skilled and semi-skilled manpower increased by 13 per cent during 1981, with Craftsmen, Production Process and Operating workers representing 41 per cent of the total number of persons trained in this category.

However, there was a decline in the output of several categories of manpower during 1981. Output of professional, technical and related manpower decreased by 11 per cent, continuing a pattern observed since 1979. The number of graduates from the Teachers' Colleges decreased by 10 per cent, the first reduction in several years, while training of vocational instructors has been declining over the past 4 years.

(d) Inflation: The tendency towards price stability which became evident in the first half of the year and discussed in the Mid-Year edition of the Survey continued, albeit with somewhat higher increases in the second half of the year. The movement of the Consumer Price Index on a point to point basis slowed from a rate of 28.6 per cent in 1980 to 4.7 per cent in 1981. The corresponding average movements were 27.3 per cent in 1980 and 12.5 per cent in 1981.

The greater availability of essential consumer goods was a significant contributory factor to the decline in price increases. Another contributory factor to the observed stability in prices was the reduction in Central Government recurrent deficit as a proportion of Gross Domestic Product which in turn obviated the need for Central Bank accommodation. This was brought about by the implementation of policies aimed at constraining the rate of increase of Government recurrent expenditure on the one hand and adoption of measures to improve tax collection on the other.

"Financing of the Current Account deficit and capital expenditure was largely by way of increases in the issue of Treasury Bills and significant growth in foreign loans. There were no advances from the Bank of Jamaica and a diminution of commercial bank loans which facilitated greater availability of these resources to the private sector."

#### Prospects

The overview also contained the following on prospects for 1982:

"The projected rate of growth of Gross Domestic Product for the Calendar year 1982 is 3.9 per cent. A balance of payments surplus is also projected for the

year notwithstanding a deficit of approximately US\$155 million during the Calendar Year 1981. There was a balance of payments surplus of US\$43m for the fiscal year 1981/82 and a surplus of about the same level is projected for the fiscal year 1982/83.

"The marked increase in investment activity observed in 1981 will accelerate during 1982 under the stimulus of programmes which have been put in place to improve the local investment climate and growing confidence of potential investors in the future of the economy. The net effect of the foregoing on job creation is expected to be strongly positive."

CSO: 3025/280

## PNP WARNING ON APPOINTMENT OF NEW POLICE CHIEF

Kingston THE DAILY GLEANER in English 27 Apr 82 p 2

[Text]

The People's National Party has issued the following statement over the signature of the President, Mr. Michael Manley:

"The announcement of the retirement of Mr. Bill Bowes as Commissioner of Police has sparked off rumours that he will be replaced in that office by Mr. Joe Williams. The People's National Party warns the Government that a significantly large number of Jamaicans will not accept Mr. Williams' appointment to that office because:

a) His long and continuous partisan political conduct which dates back to the 1960's when he was in charge of the Denham Town Police Station and other areas in West Kingston and which he has continued without restraint up to the present time: and

b) He has already passed the age of retirement and his promotion will adversely affect the morale and efficiency of the Police Force.

"We have noted that steps have already been taken to put Mr. Williams in line for advancement in the Force by his appointment as Deputy Commission-

er of Police after he has passed the retirement age of 60 years. This promotion is of questionable legal validity and is in a different category from the cases where Senior Police Officers have been kept in the Force on contract in posts to which they were appointed before they reached retirement age.

**"CONFIDENCE"**

"Mr. Williams, who has been the Officer in charge of the Operations Squad, which is more readily recognised by the notorious name, Eradication Squad, cannot bring to the leadership of the Police Force the level of confidence among the ranks of the Force and the general public which is a prerequisite of holding the office of Commissioner of Police.

"The People's National Party calls upon the Government to give consideration to several other suitable senior officers who can succeed Commissioner Bowes. We urge that the interest of the nation be placed before those of the persons who believe that political loyalty is a prerequisite of efficient leadership of the Police Force."

CSO: 3025/280

## VAZ ANNOUNCES SECTORS CHOSEN FOR EXPORT MARKET STUDIES

Kingston THE DAILY GLEANER in English 29 Apr 82 pp 1, 11

[Text] SIX SUB-SECTORS OF INDUSTRY have been selected for study and priority development by the Government, the Minister of Industry and Commerce, the Hon. Douglas Vaz, announced in the House of Representatives yesterday.

Garments and sewn products; footwear and leather products; agro-industry and food processing; furniture and wood products; automotive parts; electrical and electronic products, are the sub-sectors chosen as the basis for effecting changes and identifying the opportunities which exist. Export market studies were being carried out in each sub-sector, he said.

Making a four-hour presentation on his twin portfolios in the current Budget Debate, the Minister listed areas of achievement by the Government over the past year as well as new directions for growth and development.

Mr. Vaz said that the Government had restored confidence to the country. This was evident in the fact that many businesses which were closed were being reopened. There was an upsurge in demand for office and factory space from the Jamaica Industrial Development Corporation requiring the construction of thousands of square feet of new space.

There was the attraction of 50 new investments in the most difficult period for attracting investments and the implementation of 11 of those investments; as well as the expansion of local industry by Jamaican investors, and renewed interest in joint ventures.

Structural adjustments and export orientation had started without dislocation; phased elimination of quantitative restrictions had started, a wider range of goods had been made available; and there had been substantial increase in the Gross Domestic Product.

SPEAKING ON THE SELECTION of the six subsectors for special treatment, Mr. Vaz said that one of the main problems that the country faced was that the export sector was not growing at the rate it should.

As a result, the Government has decided to pursue an export-led strategy of industrial development which required substantial structural changes and adjustments to policies and manufacturing enterprises which in the past were

allowed to concentrate on import substitution and production for domestic market.

The new Government policy demanded the creation of a dynamic industrial and agro-industrial sectors which are efficient and competitive by world standards, which will require the establishment of new industries as well as the modernization of existing ones; and the companies now had a gear themselves for substantial export growth and foreign exchange earnings.

The plan of action for accomplishing that objective had based itself on the identification of six sub-sectors which the Government felt had the potential for considerable growth.

The six were selected for a variety of reasons, including all those that involve local labour value added and production from indigenous raw materials; or else where there was no heavy requirement for imported raw materials.

GARMENTS WERE SELECTED on the basis that they offered capacity for fast growth in terms of foreign exchange, expansion of employment opportunities, competitive wages, availability of pool-skilled labour, and short training.

The rationalization would be based on: product/market survey to identify products most appropriate for production, product specifications, export markets which constitute the greatest potential, market and entry strategies as well as parties interested in investing in Jamaica.

Development plans for special sewn products such as high-fashion garments and embroidered products of Jamaican origin; and identification of necessary management and technical skills as well as training needs, were also ingredients of the plan.

The objective was to train approximately 20,000 workers producing garments mainly for the export market over a four-year period.

A market survey which was commissioned in November 1981 was now completed by Kurt Salmon Associates, of the U.S.A., in conjunction with the Singer Company; and Kurt Salmon will assist in establishing 20 independent and privately-owned manufacturing plants, each with approximately 250 operators over three to four years to produce knitted embroidered and other special-design garments for export to the United States.

Heavy emphasis will be placed on the expansion of 807 operators (under which raw materials are provided) and, with the new thrust for expansion, the Kingston Free Zone has finalized the establishment of four new operations comprising swimwear, textiles, brassieres and jeans, involving capital investment of approximately U.S. \$4.3 million and the employment of 680 persons.

Government has already been able to identify the funding for the training of skills which are required and a sum of \$6 million for the J.I.D.C. to train the necessary manpower. A project unit is to be set up within the J.I.D.C. and the existing Garment Development Unit expanded.

SPEAKING ON THE OTHER SUB-SECTORS the Minister said electrical and electronics groups were highly labour-intensive and was the leading creator of jobs in East Asia in the 1970s.

With development in communications, the international market continued to need low-cost locations and the Government proposed to create an industry producing for the larger market, specializing in making components.

Agro-industry and food-processing had been selected for priority development due to the vast potential in overseas markets, employment creation, foreign exchange and savings possibilities.

The debate continues today with a contribution from Opposition Leader, Mr. Michael Manley.

CSO: 3025/280



## BAUXITE, ALUMINUM PRODUCTION DOWN IN 1982 FIRST QUARTER

Kingston THE DAILY GLEANER in English 29 Apr 82 p 1

[Text]

**BAUXITE AND ALUMINA OUTPUT** declined sharply in the first quarter of this year, as the effects of recession on aluminium demand overseas were compounded by strikes at local alumina plants earlier this year.

Bauxite exports fell 36 percent from 1.6 million (metric) tonnes in the first three months of 1981 to just over one million tonnes at the end of March this year, according to a news release by the Jamaica Bauxite Institute.

Alumina exports were down to 102,000 tonnes from 635,000 tonnes, a decline of 37 percent.

Total bauxite disposed of was two million tonnes, 36 percent below the 3.2 million tonnes recorded for first quarter '81.

**"SHIPMENTS OF UNPROCESSED BAUXITE** included the first deliveries, in March, on the American Government's stockpile purchase.

"The Jamaican Government will net an estimated US\$35 million on delivery of a total of 1.6 million long tons of bauxite. Kaiser and Reynolds Jamaica Mines are supplying the ore and deliveries to the United States are scheduled to the end of September.

"The supply contract has mitigated somewhat the steep drop in market demand for bauxite which would otherwise have meant a further 113 lay-offs of workers at the two St. Ann-based mining operations.

**THE WORLDWIDE SLUMP** in aluminium demand has, meantime, led to more reductions in smelter output as aluminium producers struggle to reduce inventories.

"The sharpest cut has been made by Kaiser Aluminium and Chemical Corporation. Since the beginning of the year it has idled a further 115,000 short tons including - significantly for Jamaica - more of its facilities at Chalmette, Louisiana, on the US Gulf Coast.

"Kaiser's US smelters are now operating at only 49 percent of capacity, the lowest rate in the company's history.

"Reynolds Metals has idled an additional 44,000 short tons since the beginning of January and its smelters are now operating at 52 percent of capacity. Alcoa, the industry leader, has shaved its operating rate from 68 percent to 66 percent.

"Only Alcan, with the advantage of Canada's cheap hydroelectric power, is sustaining a relatively high 89 percent operating rate," the release said.

CSO: 3025/280

## SEAGA PLANS STUDY OF MEDIA; GOVERNMENT GIVES UP RADIO SHARES

Kingston THE DAILY GLEANER in English 28 Apr 82 p 1

[Text] GOVERNMENT IS TO DIVEST ITSELF of shares in Radio Jamaica Ltd. and to receive applications from private groups wishing to set up television stations, after a three-year period to allow the Jamaica Broadcasting Corporation to achieve economic bouyancy.

These and other plans, such as the establishment of a Media Commission which will come into effect shortly, were announced by the Prime Minister, the Rt. Hon. Edward Seaga, at the Gleaner Honour Award Banquet held at the Jamaica Pegasus Hotel, New Kingston on Monday night.

Mr. Seaga received the award for "The Outstanding Individual of 1981", from the Gleaner's Honorary Chairman, the Hon. Leslie Ashenheim.

OUTLINING STEPS TO BE TAKEN concerning the local media, the Prime Minister said that a Media Commission would be established shortly after the pattern of the Electoral Commission.

The Media Commission would ensure that "the abuse of the electronic media" such as had taken place over the past eight years, would not occur again. The decision had been taken following a report from the Committee set up under the Minister of State the Hon. Edmund Bartlett, to look into the possibility of establishing such a Commission.

The Broadcasting Authority, which fell under the Broadcasting Radio and Redifusion Act had "no ability to impose sanctions" against offenses which it might discern. The Media Commission would replace the Broadcasting Authority, he said.

It would be set up under its own legislation and be patterned after the Electoral Commission as a body impartially appointed by the Governor General after consultation with the Prime Minister and the Leader of the Opposition.

The Commission would be responsible for ensuring the impartiality of the electronic media, carrying out certain technical functions with a final authority to make decisions in certain areas while making recommendations to the Minister of Information in others such as policy.

GOVERNMENT WOULD BE DIVESTING its shares in Radio Jamaica to private sector organisations in order to balance to present list of those bodies that now hold shares. The number of shares held by any particular organisation would be limited in a way to be finalised between the Government and RJR.

The three-year moratorium would relieve J.B.C. of competition in terms of T.V. licences, but after that the Government would be open to applications from private bodies. "It has never been our intention to segregate any area of enterprise important to national life that any other area of the society can make a useful contribution", the Prime Minister said.

During the three-year period, J.B.C. could work out its own economic recovery--this was "only fair" but at the end of that time J.B.C. would be open to full competition.

Mr. Seaga said also that legislation for the establishment of the Contractor-General would be passed in this legislative year. It was decided following a report of the Committee set up by the Cabinet under the Minister of Construction, the Hon. Bruce Go ding.

The Contractor General would be appointed by the Governor General after consultation with the Prime Minister and the Leader of the Opposition.

The Prime Minister pointed out that these new appointments were enlargening the role of the Governor General, It was an outgrowth of a "valuable asset" which was being wasted at present, of dealing with areas essential to public life not properly handled by successive governments.

CSO: 3025/280

## SABOTAGE SUSPECTED IN SHUT-OFF OF WATER SUPPLIES

Kingston THE DAILY GLEANER in English 30 Apr 82 pp 1, 20

[Text] WATER SUPPLIES in the Corporate Area were severely curtailed by suspected acts of sabotage yesterday.

Valves at the National Water Commission's filter plant at Hope were "illegally turned off" early in the morning, depriving large sections of the Corporate Area of water.

Certain categories of N.W.C. workers later took strike action to back their wage demands in negotiations currently going on.

A statement from the Ministry of Public Utilities yesterday afternoon said: "The valves which have been illegally turned off will shortly be turned back on and water should be restored to all the affected areas later this evening."

The security forces were protecting Water Commission installations and "will be taking whatever steps are necessary to ensure that the supervisors and other officers of the Water Commission can continue to perform their duties without intimidation and can restore and maintain normal operations, including the supply of water to the Hunt's Bay power station," the statement added.

The Hunt's Bay power station was threatened by the disruption of water supplies and there was a possibility of that station having to close down. A company spokesman told the GLEANER that their water reserve could last up to 36 hours. Water is needed to cool the bearings and resupply the boilers.

CONTROVERSY FLARED over the lock-off-of the valves.

In an interview with the Gleaner while he met with representatives of the unions to "try and bring back normality", the Minister of Public Utilities and Transport, the Hon. Pearnel Charles, said that it was the workers who had locked the valves.

The Corporate Area would be without water until supervisors could locate the locked valves and re-open them, he added.

"This is a very complex business and there is no certainty that the supervisors can find the affected valves. Only the workers returning to normality can guarantee that water supplies will be returned," Mr. Charles said.

The Ministry said: "The current strike action has been accompanied by acts of sabotage and intimidation which have the greatest implications for the public welfare.

"Water in storage has been let out at the Hope Filter Plant, valves tampered with, and clerical staff not involved in this illegal strike threatened and, in some instances, forced to abandon their posts."

THE UNIONS representing the workers the Bustamante Industrial Trade Union, the National Workers Union, the Jamaica Association of Local Government Officers and the Jamaica Union of Public Officers and Public Employees issued a joint statement, in which they denied that the workers were responsible for the acts complained of.

"From preliminary investigations we have conducted, we understand that the acts allegedly done were carried out by persons unknown," the statement said.

"We the unions representing the workers wish to state that no instruction was given to anyone by us to let out water or remove valve keys." Reference to removal of the keys was also made in the Ministry statement.

The unions said that they did not believe in sabotage and had never influenced their members to commit any act of sabotage. "We now implore the authorities to investigate trouble-makers from outside who are seeking from time to time to infiltrate the ranks of the workers at the N.W.C.," the unions said.

ELABORATING on what it termed the acts of sabotage, the Ministry referred to the fact that since the water crisis began storage at the Hope Filter Plant had been built up between the hours of 8 p.m. 4 a.m., as routine procedure, by closing off the outlet valves, thus ensuring that there was enough water in the plant to maintain adequate supplies to those areas served by the Hope system.

"At about midnight last night it was discovered that all the water in the plant had been released, not only causing a widespread absence of water in the Corporate Area, but potentially imperilling supply of electricity to the city since a certain volume of water is needed to keep the J.P.S. steam turbines at Hunt's Bay working.

"In addition to water being released from the Hope Filter Plant, it was discovered this morning (Thursday) that some of the valves in the Hope system had been tampered with, affecting particularly those areas in which water has to be pumped.

"It was also discovered that keys which had been issued to operating staff the evening before to enable the valves to be turned on and off had not been returned.

"The filter plant at Hope is now being manned by supervisory staff and water is once again being built up in the system. However, distribution to those areas not gravity-fed is still being affected."

The statement then reported about the security forces being called out to protect the N.W.C. installations and to ensure that supervisors and other officers would be able to continue to perform their duties.

It ended: "In the meanwhile, the security forces are carrying out investigations and the strongest action will be taken against any person found to have been involved in criminal or illegal acts."

#### Negotiations

Meanwhile, the Gleaner was told that the strike, which the Ministry statement called "unauthorised," has been reported by Mr. Charles to the Ministry of Labour.

The workers and their unions had been meeting with Mr. Charles on the wage negotiations. The last meeting was held on Tuesday.

The Ministry statement surmised that the strike by the workers was in reaction to the wage offer now under consideration. This was confirmed by workers on strike at the N.W.C. Marescaux Road office to the Gleaner.

They also denied that workers had turned on or turned off any valve or removed any keys.

In another development yesterday, Mr. Charles also referred to the Labour Ministry, a letter from Mr. Lascelles Beckford, vice-president of the B.I.T.U.

The letter on behalf of the workers clerical, hourly-paid, secretarial, draughtsmen, daily-paid and weekly-paid asked Mr. Charles to act now "in the interest of all concerned, namely the consumer, the workers, and N.W.C., to at least keep the workers in line by extending the same quantum of increase to them which was given to workers in other utilities."

"We further wish to note that this will not be totally satisfactory as workers in the other utilities will still be getting more than their counterparts in the N.W.C."

The Gleaner learnt also that water was trucked to certain vital areas yesterday.

A meeting between the unions and the Water Commission has been set for 3 p.m. today at the Ministry of Labour.

CSO: 3025/281

## BRIEFS

PNP ON GOVERNMENT SURPLUS--The People's National Party said yesterday that the U.S. \$39 million surplus on the balance of payments announced by Government last week was due to borrowing, not production. A statement signed by Party Secretary, Dr. D. K. Duncan, said the P.N.P. was concerned at the "continuing attempts of the Government to mislead the country as to the true facts concerning the economy." The statement went on: "The most recent example is its self-congratulatory statement about there being a 'balance of payments surplus for the first time since 1974', implying that this was due to increased production rather than massive external borrowing. The Government knows that the key indicator of performance in the external sector is Not the balance of payments overall but the current account, this is, how much goods and services are exported as against how much imported. Last year, as a result of the Government's policies, the deficit on Current Account declined sharply from \$209m in 1980 to U.S.\$410m -- the largest-ever recorded in the history of the country. It was only able to finance this deficit by equally unprecedented borrowing, amounting to U.S.\$454m (or approximately U.S.\$800m). It is therefore borrowing, not production, that explains the small U.S.\$39m surplus on the balance of payments..." [Kingston the DAILY GLEANER in English 8 Apr 82 p 12]

EXCHANGE WITH PHILIPPINES--AGREEMENT IN PRINCIPLE HAS BEEN REACHED between Jamaica and the Republic of the Philippines for an exchange of technical expertise and experiences in areas of agriculture, including the growing of rice, sugar cane, and spices, coconut utilization, fish and shrimp culture, horticulture, dairy farming and agrarian reform. The agreement was reached following a recent official visit to the Philippines by the Minister of Agriculture, Dr. Percival Broderick at the invitation of the Minister of Agriculture of the Philippines Mr. Arturo R. Ranco, states a release from the Ministry of Agriculture. It was agreed that the exchange could be implemented through practical training programmes, study missions, the development of short-term consultancies, and the exchange of scientific information and material. It is anticipated that there will be an exchange of exploratory missions to identify specific areas of technical co-operation. While in the Philippines, Dr. Broderick visited the International Rice Research Institute and observed work being done there on the development of rice varieties for peat soils, and the continuous cropping trials on rice. The Minister also observed work being done on integrated rice and fish culture, integrated shrimp and fish culture and other integrated farming systems all aimed at increasing productivity per acre and consequent returns to the farmer. Dr. Broderick who was accompanied by two technical officers from the Ministry will return to Jamaica over last week-end. [Kingston THE DAILY GLEANER in English 10 Apr 82 p 10]

## JUDGE RULES GOVERNMENT BANK TAKEOVER ACT UNCONSTITUTIONAL

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 82 p 5

[Text]

BASSETTERRE, Wed.  
(Cana)

MR. JUSTICE ERIC BISHOP, delivering judgment in a constitutional case he had heard here on April 1 and 2, has said that new legislation affecting the St. Kitts-Nevis National Bank was unconstitutional.

The legislation, which was rushed through all three readings on March 8, 1982, had "infringed rights and privileges of citizens" the judge ruled.

Following passage of the legislation, the Government of St. Kitts-Nevis had appointed its own directors to gain control of the bank.

Mr. Justice Bishop said while the Act may have provided for ten directors — six to represent the Government and four the other 620 shareholders — he did not consider that the six-man board of

directors as one which was properly constituted.

## ULTRA VIRES

He said those six who acted without the other four were "clothed with exclusive and unilateral power," and he said all of their acts were ultra vires.

He therefore declared the Act to be unconstitutional, null, void and of no effect, and further that all acts already done should be considered null void and of no effect.

He, however, granted a stay of execution for 14 days, but said that such was granted with the understanding that the status quo of the company (the bank) remain as of the date of his judgment without further interference.

Justice Bishop ordered costs to the plaintiff certified fit for two counsel.

CSO: 3025/282



DETAILED RETURNS, ANALYSIS OF GENERAL ELECTION VOTING

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 82 p 14

[Article by Guy Ellis]

[Text] CASTRIES: A MASSIVE swing to the United Workers Party (UWP) and the apparent disarray in the ranks of supporters of the two labour parties were among the main factors influencing Monday's general elections here.

The UWP under John Compton increased its share of the vote in all of the 17 constituencies and in many instances its candidates polled more votes than those of the Saint Lucia Labour Party (SLP) and the Progressive Labour Party (PLP) combined.

The PLP is a splinter of the SLP. It was launched only last May after a prolonged period of dissension and squabbling over the leadership of the SLP resulted in three members breaking away to launch the new group.

Compton's UWP also benefited from the split in the traditional labour vote among the two parties which enabled his candidates to coast to victory in two constituencies.

Newcomers Win

The elections were the second here in the past three years. The SLP was returned to power in 1979 with 12 out of the 17 seats but after two and a half years of diverse problems, it was forced out of office by public pressure last January and an interim Government was formed.

The election spelled complete disaster for both the SLP and PLP. SLP leader Peter Josie lost his bid to capture his hometown seat to Vieux Fort South after surrendering his 1979 majority of 763 in East Castries.

Josie was beaten by one of the many newcomers in the UWP line-up. His former SLP colleague, George Odium, now leader of the PLP fared no better and had his majority of 784 in Castries South East transformed into a 207 vote defeat, according to the preliminary results.

Former Prime Minister Winston Cenac of the SLP turned out to be one of the casualties of the vote-splitting and narrowly lost his Soufriere seat to another UWP newcomer.

In the South, UWP candidates came close to victory in two traditional SLP constituencies while the party returned to full dominance in the four Eastern seats after surrendering one of them to the SLP three years ago.

Apart from Josie and Cenac, two other Ministers in the last SLP administration lost their parliamentary seats. Former Agriculture Minister Gregor Mason was defeated in Choiseul-Fond St. Jacques while former Communications Minister Remy Lesmond lost in Dennery South.

The PLP lost two of the three seats it held in Parliament. Apart from Odlum's defeat, the shock result of the day was that in North East Castries where interim Prime Minister Michael Pilgrim suffered a severe loss in popularity and was beaten by close to 500 votes compared with his 1979 majority of 1,238.

The UWP returned to full control of the city seats winning five of the six. In the sixth, its candidate slashed PLP Jon Odlum's margin of 888 three years ago to a mere 81.

Another UWP victor was former Agriculture Minister Ira Dauvergne who triumphed on his fourth attempt to win the Anse La Raye-Canaries seat. This time he polled more votes than his two opponents combined.

The election results bore a striking resemblance to those of 1979 when the UWP was swept out of power after 15 years. On that occasion public disenchantment with the UWP resulted in the biggest landslide in Saint Lucia's history. On Monday Compton reversed that, and won by an even greater margin.

Compton retained his Micoud South seat with an increased majority. Two other party stalwarts and former Ministers William George Mallet and Allan Bousquet were also returned by larger margins than in 1979.

The UWP polled some 4,000 votes more than the combined SLP and PLP totals. The turnout was close to 60 per cent of the 75,000 registered voters.

Preliminary results:

#### GROS ISLET

Phillip Jules (PLP) 913  
PETER PHILIP (UWP) 1531  
Thomas Walcott (SLP) 484

#### Castries NORTHWEST BABONNEAU

ALLAN BOUSQUET (WUP) 2224  
Austin Jude (SLP) 96  
Lennard Leonce (PLP 617).

CASTRIES NORTHEAST

JOHN BRISTOL (UWP) 2802  
Leroy Butcher (SLP) 274,  
Michael Pilgrim (PLP) 2364.

CASTRIES EAST

Patrick Fell (SLP) 315  
ROMANUS LANSIQUOT (UWP) 2883  
Vance Pilgrim (PLP) 1768.

CASTRIES CENTRAL

Antonius Gibson (PLP) 462  
WILLIAM GEORGE MALLET (UWP) 1091  
Hilary Modeste (SLP) 80.

CASTRIES SOUTH

Desmond Brathwaite (WUP) 972  
Daphney Murray (SLP) 78  
JON ODLUM (PLP) 1053.

ANSE LA RAYE CANARIES

IRA DAUVERGNE (UWP) 1610)  
Carlisle Jn Baptiste (SLP) 707  
Frances Michel (PLP) 670.

SOUFRIERE

Ernest Augier (PLP) 806  
Winston Cenac (SLP) 864  
LENNARD RIVIERE (UWP) 1094

CHOISEUL-FOND ST. JACQUES

BRIAN CHARLES (UWP) 1598  
Gregor Mason (SLP) 889  
Gilroy Satney (PLP) 626

LABORIE-SALTIBUS

Clive Alexander (PLP) 363  
NEVILLE CENAC (SLP) 1503  
Brendon Hippolyte (UWP) 1354

VIEUS FORT SOUTH

Modeste Downs (PLP) 466

Peter Josie (SLP) 875  
ELDRIDGE STEPHENS (UWP) 1069

VIEUXFORT NORTH

Anthony Bellas (PLP) 198  
CECIL LAY (SLP) 791  
Murray Thomas (UWP) 680

MICOUD SOUTH

JOHN COMPTON (UWP) 1539  
Henry Marquis (SLP) 172  
Steven Mathurin (PLP) 81

MICOUD NORTH

Reynold Charles (SLP) 50  
Vic Fadlein (PLP) 84  
LOUIS GEORGE (UWP) 2150

DENNERY SOUTH

George Goddard (PLP) 97  
Remy Lesmond (SLP) 689  
CLENDON MASON (WUP) 840

DENNERY NORTH

Richard Edwin (PLP) 438  
FERDINAND HENRY (UWP) 1356  
Peter Wilfred (SLP) 22

CASTRIES SOUTHEAST

Kenenth Foster (SLP) 60  
George Odium (PLP) 1661  
CLARENCE RAMBALLY (WUP) 1868

CSO: 3025/283

## PAPER HOLDS PRE-ELECTION INTERVIEW WITH UWP'S COMPTON

Bridgetown THE NATION in English 29 Apr 82 pp 2, 10

[Article by Anthony Milne]

[Text] JOHN Compton, who was head of the St. Lucia government for 15 years, recently moved into his new home in Monchy, a country district north of Castries.

The lawn slopes down, beneath the spreading branches of a couple of enormous saman trees, to a narrow country road 100 yards away.

Compton, who is a lawyer, is urbane and eloquent, and describes himself as a "pragmatist". A lot of his support comes from the business sector and the middle class, in spite of the fact that his party is called the United Workers' Party.

But he also has support in the rural areas, especially on St. Lucia's east coast, in Dennery and Micoud, for example. The west coast; Anse-la-Raye, Soufriere, and Canaries, are known to lean towards the Labour Party.

Originally, chief minister and Premier, Compton was also the first Prime Minister after St. Lucia (238 square miles) became independent in 1979.

He lost the first post independence election to the opposition Labour Party that same year, which in turn, has since been deposed by a new interim government.

TODAY THE NATION brings you an exclusive interview with Compton — the second of a series — compliments of the Trinidad Express.

**Do you think that the new Labour Party government has undone any of the achievements of your government?**

COMPTON: Well, they've undermined the confidence of the people in themselves, and they've undermined outside

confidence in the country. It's going to take time to restore these things; even more in the physical things that have been neglected.

I think the most important task for any new government is to restore the people's confidence in themselves, the ability to achieve, the ability to undertake the task of national development; and then to ensure that other people have confidence in us, which is so important in an island of this size.

You must have outside confidence, for everything. For our thrust in the international sphere; then there is the question of investment.

You have first of all to restore confidence in the local entrepreneur and secondly in foreign investors. Then your country must be stable and safe so you can get your tourists back.

**Development had just begun in St. Lucia in the late sixties, hadn't it? With regard to tourism, for example?**

COMPTON: Development had really started some time in 1969, and it had a very good thrust in 1969 and 1973. Then it slacked off a bit for two years, in 1974 and 1975, and started picking up again in 1976.

In 1974 and 1975 there was the energy crisis. Because so much of the thrust was from outside capital things tended to slow down. But it picked up again in 1976, and by 1977 the Hess Oil project showed that there was still confidence in the country.

**So would you say that the current economic decline is due to the divisions within the ruling Labour Party?**

COMPTON: After 1979, yes. There was some fierce rhetoric before and during the election, and that will affect people. In the best of times that will create an attitude in people of wait and see. They will want to see what new policies will come from this new government.

In addition to that you had the leadership struggle, within the party itself, going on for the better part of a year.

**What sort of rhetoric did the Labour Party use at election time?**

COMPTON: The usual kind of pseudo-communist rhetoric; that they were going to socialise everything; that they were going to throw out the imperialists and the foreigners; that they were going to nationalise; a lot of idle talk.

Some of the sort of thing, some of the pseudo-intellectualism you get coming from the wilder fellows at the university. You had these kinds of wild statements that frightened people.

On top of that you have the Grenada revolution, which was in the same year, just a few months before, and it caused people to think whether this was the direction in which the Caribbean was going.

There was Grenada taken over by armed revolution, and there was St. Lucia which was taken over by the same people in an election, people who had the same sort of connections. People wondered whether St. Lucia was going in the same direction.

**Can you mention any specific projects that were halted because of this kind of [thing]?**

(thing)?

COMPTON: Well a lot of

business investment halted or went away. A rather big toy manufacturer, with a big name, a big manufacturer, they pulled out.

Then there were people who were just about coming in, who had pledged the construction of hotels. People weren't building new rooms to the existing hotels.

The Hess construction also slowed down. It was to be completed in 1980, and up to now it is not finished because they slowed down.

**Is Hess Oil building an oil refinery?**

COMPTON: It is a transfer terminal, with a refinery to come. The terminal is almost completed. But whether there will be a refinery or not is something the future holds.

**Why did Hess choose St. Lucia?**

COMPTON: Well for one thing, there is a deep water on the west coast of St. Lucia, so their supertankers can come in. They had to do very little dredging.

Then there was some flat land there as well. So the physical work that had to be done was not as great as in St. Croix. The supertankers cannot go in to the American east coast because of the continental shelf, so they have to tranship in these islands.

Then we are a non-American port. If the Americans put an embargo on the exportation of oil it would not affect oil in St. Lucia. But St. Croix is an American port.

**Has the Labour Party carried out any of their programmes?**

COMPTON: No, they haven't done anything.

**What will happen if the Labour Party wins the coming election?**

COMPTON: They will spend half the time avenging themselves on the people who pulled them down. I am speaking about the St. Lucia Labour Party. The Progressive Labour Party has got very little chance. It is a fringe party with some following in the urban areas.

This is why the PLP wants elections in six months. They want time to get organised and make themselves into a national party. We wanted the time as short as possible, but both the SLP and the PLP want as long a time as possible before the election.

**Do you think of your own party, the United Workers Party as a party with the interests of big business at heart?**

COMPTON: No, what big

business is there in St. Lucia? Everyone is small except in one or two cases. We are private enterprise oriented, but that doesn't mean we are big business.

We feel the government should create the right atmosphere in which people can operate, provide the infrastructure, and then afterwards hold the ropes. It should lay down the rules in which people can operate relatively freely.

There must be some kind of price control on essential items, but within that perimeter you just hold the ropes and let people try to earn a living.

There were certain basic items that were imported by the government since the war, and there were rice and sugar. To these, the Labour government added flour, then they said they were going into cement, and threatened to go into lumber as well.

Well once they started giving out import licences and controlling these things, like night follows day corruption set in.

Their pals were getting licences for the import of flour. The distribution of cement was handed over to their cronies. And that's one of the reasons there was so much discontent.

**Did that discontent come from their own followers as well?**

COMPTON: It was general. Their followers became disenchanted as early as 1979, when it became clear they were not carrying out their programme, but were just fighting over the leadership. And as they did more and more wrong their followers became more and more disenchanted.

**Does the PLP represent some of those disenchanted people?**

COMPTON: Some of them. The PLP represents what I would call the pseudo-intellectuals, like Munroe in Jamaica; like NJAC — is that what they're called? — in Trinidad, that type of fringe group; the Rosie Douglas type of thing. They also represent the more violent element in the society, who want to snatch at everything.

**So what happened to these disenchanted people from the Labour Party; where are they now?**

COMPTON: You see, a lot of people who voted for the Labour Party were not Labour Party people. Because they voted Labour it doesn't mean they were hard core supporters. They were the floaters, and many of the floaters have come back to the United Workers'

Party which they supported all through the years. But the hard core Labour Party supporters have stayed with the Labour Party, the older types, the older trade unionists who never supported our party, and the other fringe of the Labour Party, the NJAC type, they've gone to the Progressive Labour Party.

**Do particular unions in St. Lucia support particular parties?**

COMPTON: I wouldn't say so. I think we have supporters in the executives of most unions. But it is not hard and fast. It is not like the SWWTU supporting the PNM in Trinidad, or like Walcott supporting Barrow. There's nothing like that here. There are no party unions.

With regard to the recent unrest, isn't it odd for the kind of arrangement allegedly made between Mr. Odum and Mr. Louisy in the Labour Party to have taken place. An arrangement whereby the man who led the party during the election campaign agreed to hand over the office of prime minister after six months?

COMPTON: It is a rather odd situation. But the thing is, if you look at this thing historically, that the Labour Party was in complete disarray in 1974. Odum had come into it, but nobody trusted Odum. He had emerged at the time of the black power incidents in Trinidad, and was shouting black power rhetoric. People didn't forget that.

In 1974 they formed themselves into a party called SLAM, the St. Lucia Labour Action Movement. SLAM died in the wind because they were a fringe party; as black power subsided so did SLAM. People were afraid of it because they felt it meant burning houses and that kind of thing.

George Odum then crept into the Labour Party. But they didn't want him as leader; they wanted a face, a figurehead. So they chose old Louisy, a retired judge, to give them respectability. But they lost the election. After they lost the election Odum came more into forefront of the Labour Party although he was not the political leader of the party.

About three years after the election they went to a party convention to choose a party leader and Odum lost, because they were still afraid of him. In the 1979 election Odum was more active in the field as well as the man who recently resigned as foreign minister, Peter Josie. Because of their activity in the field and within the party, they were able to put in a number of candidates of

their choice, who would be loyal to them rather than to Louisy.

So the split came in the choice of candidates. There were in fact two slates of candidates presented to the electorate under one banner.

**Did the work of Odlum and Josie contribute greatly to the Labour victory in the 1979 election?**

COMPTON: Yes. Their organisation, their threats of violence, inflammatory rhetoric, that is what put in the Labour Party.

**The voters went for that sort of thing?**

COMPTON: Well they stayed at home. They was a turn out of only 54 percent of the voters. We usually have something like the high seventies or eighties. There was a lot of intimidation. Some people went for the talk of violence and the others stayed at home.

So when the Labour Party won they (Odlum's faction) had a substantial number of members in the House, and they could have chosen Odlum, but some of the older fellows refused to co-operate with Odlum and he decided to come over to use (the United Workers Party) and form a type of alliance.

This was done in backroom meetings, and it was decided that Louisy should have six months and then hand over to Odlum. But by that time they had smashed up the town in demonstrations, and there was talk of Cuban involvement in St. Lucia, and people became worried that if the leadership were handed over to Odlum he would have pushed a Cuban direction. So Louisy did not go ahead with the agreement, and the leadership struggle started.

Louisy was in charge of the prerogatives of government, he was in charge of the pork barrel. So he could hand out his concessions and favours. So when the crunch came people realised that Louisy was in control constitutionally, and those ministers who might have supported Odlum rhetorically and even philosophically, to save their own skins, to retain their ministries, stayed with Louisy. So Odlum found himself alone, except for his brother, Jon Odlum, and Mikey Pilgrim.

**And all this affected the efficiency of government and then the economy, didn't it?**

COMPTON: The whole thing broke down with the malaise of the leadership struggle. Every aspect of government broke down. People didn't care, you, couldn't speak to them, there

was nobody in charge, buildings were deteriorating, garbage wasn't collected; it infected every aspect of government.

**What about the two most recent bills that were introduced?**

COMPTON: These really brought the thing to a head; it was the last straw as it were. If the government had any popular base at all the bills would have been passed, but there were so many people against the government, when they brought these two bills people said, "This is enough". They were trying to cover up their corruption; so the people came out and brought the government down.

These bills were to cover up corruption. I am speaking about legal corruption; I am not talking about the physical taking under the table making all types of contracts and deals. It was what the law calls corrupt, like a member of parliament dealing with the government; that would be a corrupt contract.

What they had been doing since they came into office was channelling government business to private practitioners of their own choice, within their party. They were getting foreigners who had to get concessions and licences from government to deal with certain lawyers; and the fees that were extracted were completely outside the normal legal tariff. It is suspected that these sums were disbursed among the party faithful.

So that when they were caught, they were caught by the law that dealt with corrupt practices, and under normal circumstances it could have been explained away.

What ever their explanation of the law is, it is the timing of the introduction of the bill that makes you suspicious. It is not part of a general revision or updating of the laws, but only after the seat of a member was challenged, because of this sort of thing, they tried to cover it up.

It was not done as an objective and dispassionate exercise.

**Did the corrupt contract made by a member of the House relate to the building in which the National Commercial Bank is housed?**

COMPTON: It is a property relating to the National Commercial Bank, not for the bank itself, it was a property that government had purchased, and normally a transaction like that would be done by the at-

torney general, or by the Attorney General's Office.

**What about the other part of the bill referring to money spent by ministers on missions abroad?**

COMPTON: There was a system whereby you were given a flat U.S. \$100 a day for expense. And your hotel bills were paid besides this.

You were given a sum in advance to cover hotel bills and what you didn't use you had to account for. Hotel bills fluctuate with the season.

The U.S. \$100 a day was to be used as you pleased, you didn't have to account for it.

But what they used to do was take large sums of money and account for nothing. They would take U.S. \$25 000 to attend a conference and come back and return nothing. This was because of the erosion of the civil service.

They destroyed the civil service; and the civil service did not dare to correct them, they just accepted the information the ministers gave them.

Formerly, the civil service would never do this. This would never have happened, because when you came in they asked for your bills.

They would say, "Good day sir, how was your conference? May I have your bills?" you would supply them with these and everything would be completed. Then you would not have got another advance till you returned that one.

**On a different note, do you think of the Caribbean as being divided between the United States, as represented by Seaga, and Russia, as represented by Bishop?**

COMPTON: No. I think Bishop is just an aberration that could have been contained if we had leaders like Seaga at the time. There were too many leaders who tried to accommodate what happened in Grenada in

order to do what was fashionable — all this talk of revolution and socialism and brotherhood.

For instance, if we may deal with the personalities involved, Manley did not want to be criticised as not being progressive, nor did Burnham. Eric Williams turned off his hearing aid. So it was left to the smaller islands and Barbados, and we didn't have much clout.

While we were talking about trying to force Bishop to hold an election, Manley and Burnham were helping him to set up his apparatus.

Bishop could have been in as an elected man in six months. He could have been in, and that aberration would not have happened. Besides this, the leftists from all fringes descended upon him, and you have the appearance of this political polarisation.

Bishop is a hostage. We have given him over to these people as a hostage.

**Is there a solution to the Grenadian problem?**

COMPTON: I am afraid not. I think Grenada is lost for years to come. Anything coming against Bishop is from within Grenada not from outside.

**Finally, what are your hopes for the coming election and for St. Lucia?**

COMPTON: There is a hope and an expectation that we are going to win.

With regard to St. Lucia, I think we have laid an economic and social base for a movement forward. We hope that we can get back into the mainstream of Caribbean affairs. We have been the pariah and the laughing stock of the Caribbean. We want to get back on the rails and develop ourselves. We have the infrastructure, and we have the best mix of agriculture and tourism among the smaller islands except for Barbados.



## UWP MANIFESTO OUTLINES POST-ELECTION POLICIES

Bridgetown ADVOCATE-NEWS in English 28 Apr 82 p 4

[Text] KINGSTOWN St. Vincent Tuesday (CANA)--Labour Minister Arthur Williams on Sunday said the Government would no re-introduce controversial draft legislation which were withdrawn from Parliament under public pressure last year.

Addressing the 11th biennial congress of St. Vincent's most powerful trade union, the Commercial Technical and Allied Workers' Union (CTAWU), Mr. Williams said that in the true spirit of democracy, the ruling Labour Party had backed down on the bills after Government recognised that the people felt the bills were not in their best interest.

Early last year thousands of workers staged several mass demonstrations and strikes against the Public Order and Public Safety Bill and the Essential Services Bill which Government was trying to pilot through Parliament.

The Public Order and Public Safety Bill sought to give police wide powers of search and arrest, and detention for prolonged periods without charge, while the Essential Services Bill was intended to outlaw strikes in certain essential services.

Following the demonstrations Prime Minister Milton Cato announced that the Bill had died "a natural death" but there were fears that the Bills might have been resurrected when Deputy Prime Minister Hudson Tannis last November was reported to have said that Cabinet had not decided if and when to re-introduce the Bills.

Sunday's statement by the Labour Minister is now seen as a clear indication that Government has no intention of re-introducing the Bills.

Mr. Williams also spoke Sunday on the question of compulsory recognition of trade unions by employers, a requirement which trade unions here have been clamouring for over the years.

Mr. Williams said Government did not think it was necessary at this time to legislate for compulsory recognition of trade unions, but he warned "I can assure you, if the employers pressure you too far, we'll give it to you, but we have to allow time to take it's course."

## MINISTER AVERS PUBLIC ORDER, SAFETY BILLS ARE DEAD

Bridgetown ADVOCATE-NEWS in English 28 Apr 82 p 3

[Article by Guy Ellis]

[Text]

CASTRIES, St. Lucia, Tuesday, (CANA) — "Go forward with the UWP." That's one of the banners that the former ruling United Workers Party (UWP), seeking a strong mandate at the May 3 general elections, is using to underscore its preparedness to pull St. Lucia out of its economic difficulties.

The UWP, led by former Prime Minister John Compton, blames the ousted St. Lucia Party (SLP) for what it calls the country's lack of development and promises St. Lucians a government to put the state back on the road of progress.

The UWP held power for 15 years from 1964, the year it was launched, to 1979, during the majority of the 75,000-odd people eligible to vote in the coming elections attained voting age.

Of the two other contesting parties, the oldest, the St. Lucia Labour Party (SLP) served only half of a five-year term (from 1979) which was dominated by a power struggle, before being forced out of office last January under public pressure.

The other, the youngest of the three, is the Progressive Labour Party (PLP), a splinter group of the SLP, which will be a year old next month.

The overwhelming majority of the 1982 voters were either too young or were not born and therefore not in a position to remember the performance of the SLP during its 13 years in power from 1951, the year St.

Lucians attained adult suffrage.

In the current election campaigning, the UWP takes credit for bringing St. Lucia through crown colony status to independence and for taking the island "from the bottom rung to the top-most position in the eastern Caribbean" during its tenure of office.

Because of the SLP's obsession over who was to lead the government, it says, the country's business was left undone and the economy allowed to run to ruin.

According to the UWP 1982 manifesto, entitled "rebuilding St. Lucia" the contesting parties have all been tried. It adds: "The UWP gave this country 15 years of dedicated service while the others, within a mere 30 months, brought only discord, disharmony, corruption, shame, disgrace, loss of jobs and near starvation."

The party says it is seeking a strong mandate on May 3 "to resume from where we left off in 1979." Its manifesto highlights some of the major achievements of the party while in office and urges St. Lucians to "go forward with the UWP."

The manifesto is studded with what the UWP refers to as incidents of "SLP neglect."

Among these it points to a 1,000-foot extension to Vigie airport near the capital — one of two on the island — which it said was completed just prior to the last elections, but left unprotected and unsurfaced and now most of it has been

washed back into the sea, near the entrance of the Castries Harbour.

It also accuses the SLP of allowing two geothermal steam producing wells — at the historic sulphur springs in the town of Soufriere — which had been capped for safety reasons, to become rundown and left "without care or maintenance" the UWP boasts of having spent millions of dollars on this project to harness energy for the island's electricity system.

The party has promised to reactivate both the airport extension and geothermal projects. In the case of the latter, it says, the production wells would have to be refurbished to introduce an alternative source of energy to St. Lucia, which would result in a reduction of consumers electricity bills.

In the field of agriculture, the UWP reiterates the attainment of the fullest potential for agricultural production as a major strategic development objective.

To obtain this objective, it promises to stimulate private sector agricultural production by providing incentives, developing national projects using central farming and co-operatives methods, resuming its earlier initiatives in respect of the reintroduction of sugar as a small-medium farmers co-operation enterprise, stimulating private sector and developing national agro-industrial projects, developing agricultural credit services for farmers, and restoring an insurance scheme for the banana industry.

The UWP also proposes the establishment of an Agricultural Development Corporation, as a statutory board to be responsible for the operation of national agricultural enterprises.

Looking back on its achievements in the tourism field, the UWP manifesto points out that visitor arrivals rose from 17 716 when it took office in 1964 to 146 640 when it left in 1979. In that latter year, it adds, hotel occupancy averaged a record 85 per cent dropping to its lowest level over (53 per cent) last year.

The UWP promises to

complete a cruise ship berth and tourist complex just outside the city which was started while it was in office, encouraged the establishment of guest houses and small hotels whose operations will be restricted to nationals and redesign the Castries waterfront to provide shopping facilities for visitors on cruise ships.

The party hails itself as "the originators of St. Lucia's industrial development," and laments that during the time it has been out of office "the island's industrial growth has been at a standstill."

In fact, it adds, some of the enterprises which were in operation in 1979, had been forced to close down because of the instability brought about by the last government.

A new UWP government, says the manifesto, will give priority to re-establishing the national stability so important to the island's development. Hand in hand with this will be a concerted drive to attract industrial enterprises capable of using local raw materials and with production increasingly geared to the export market.

The UWP promises to reserve certain types of industries exclusively for involvement by nationals who will also be given the opportunity to bid against any proposals within local financial capabilities which are submitted by foreign investors.

The party promises to encourage the American Oil Corporation, Hess, which is building an EC\$135 million (1 EC dollar equal 37 cents US) complex here to move swiftly ahead with the project. It promises to steadfastly pursue the proposal for the early establishment of refining facilities at the complex.

The UWP points to the multi million dollar Castries port development project which it started as another area of neglect by the last government and promises to see it developed to its full potential making Castries rank among "the most modern, best equipped and among the most efficient ports," in the Eastern Caribbean.

Says the manifesto: "The port has all the capabilities of

generating sufficient income to successfully service the loans incurred for its modernisation and it had also already started to attract transshipment inquiries from the United States, Canada, and from as far as Norway and Finland."

The UWP says that the provision of low cost housing for workers will be an immediate priority if it is returned to power. It promises to stimulate the St. Lucia Mortgage Finance Company and the housing bank to enable them to grant loans to middle and low income wage earners on a long term basis to buy houses.

In the field of education, the UWP will follow a programme of continuing education, "so that every adult citizen can develop the capability to adjust to the changing demands of the society." In this regard, the party commits itself to an adult education policy that will take care of the illiteracy problem by the end of the present decade.

It promises to embark on a school building expansion programme to ensure that every child of school age has a place and to undertake a programme of curriculum reform at all levels of the education system.

The party also proposes an organised system of agricultural education, and to use the expertise of the agriculture and education ministries to develop suitable programmes in agricultural training for teachers of the subject.

The UWP's health proposals include the addition of 70 beds to the island's main hospital, establishment of dental and eye care programmes for school support for the family planning programme and the appointment of a health service advisory council to assist the ministry of health in policy planning.

In sports, the party says it will immediately upon taking office set about the task of restoring the island's premiere sporting grounds, the "mindoo" Philip Park which is still in shambles after

being destroyed by Hurricane Allen in August 1980, and build a national sports stadium with a sufficiently large area to accommodate facilities for all major outdoor games.

The UWP promises to restore local government bodies which were abolished by the last government and allow them to play an important role in the administration of the country.

In the area of industrial relations, the UWP says it will encourage and assist all existing trade unions to form a Trade Unions Congress (TUC) and appoint an independent wages commission to make a periodic revision of wages and salaries as a guideline for private, public and industrial workers.

Adds the manifesto: "A UWP government will take all necessary measures to maintain the same high standard of industrial relations as obtained under its former government, thus guaranteeing a climate at once favourable to the worker, the trade union, the local employer and to the foreign investor.

It proposes to establish a women's desk to promote women's interests and to investigate complaints of discrimination. The party says it is totally committed to the eradication of any discriminations against women.

Says the manifesto "St. Lucia's immediate economic priority is to rehabilitate its economy. It is therefore the aim of the UWP to mobilise substantial amounts of resources very quickly in order to remove the bottlenecks in the economy created by the prolonged period of stagnation and political stagnation and political uncertainty created by the St. Lucia Labour Party since July 1979.

"Our government will ensure, as we have shown ourselves capable of doing in the past, that our nation is restored to the position of preeminence which it held prior to 1979."

CABINET-APPOINTED COMMITTEE MAKES EXPORT RECOMMENDATIONS

Fiscal Incentives

Port-of-Spain TRINIDAD GUARDIAN in English 5 May 82 p 1

[Text] Political Reporter

A Cabinet-appointed committee has recommended the urgent establishment of a state export trading company and tax deductible allowances of up to 150 per cent of export promotional expenses as proposals for development and expansion of non-oil exports.

Fiscal incentives, tax allowances, and a general re-organisation of export programmes and activities are among the recommendations and proposals put forward in the report of the Committee appointed in October last year to examine export development in the non-oil sector.

Report of the committee, which was headed by Mr Eldon Warner, General Manager of the Industrial Development Corporation, was laid in the House of Representatives on Friday last week. The report has not yet been considered by Cabinet.

Among the main recommendations of the report is for Government to establish a new and separate body to manage an export development programme and it should be constituted as a statutory authority with the greatest autonomy.

Trading Arm

It was recommended that a State Export Trading Company should be established to function as the trading arm of the proposed body.

Also among the recommendations is that 150 per cent of export promotional expenses incurred by local firms should be tax deductible.

Among the proposals for the tax deductible expenses are:

- advertising in foreign markets;
- promotional literature for overseas distribution;

--participation in trade fairs, trade missions and similar promotional activities;

--overseas travel for the purpose of conducting promotional exercises;

--providing free samples and technical information on products to clients;

--inviting potential buyers to Trinidad and Tobago;

--recruitment of specialist sales personnel for a maximum of two years during which training of local personnel must be undertaken.

Referring to the proposed State Export Trading Company, the committee explained that it should be established with the greatest urgency to cater, in the first instance, to the needs of those manufacturers with export potential who lack the resources to make a meaningful thrust in the international marketplace.

It was pointed out that while the International Marketing Company had power to undertake the responsibilities, the committee was advised that the role and function was under review.

#### Joint Ventures

The committee also advised that private sector export trading companies should also be encouraged by Government, in addition to considering joint venture export trading companies involving equity participation by both the State and the private sector.

With Mr Warner on the committee were Mr Motee Ramsaran, Economist, Ministry of Industry, Commerce and Consumer Affairs; Mr Winston Rudder, Planning Officer, Ministry of Agriculture, Lands and Food Production; Mr Lennox Osbourne, Manager EXICO representing the Trinidad and Tobago Development Finance Company; Mr Clive Teelucksingh and Mr Arthur Lok Jack, representatives of the Trinidad and Tobago Manufacturers Association; Mr Val Rogers, of the Trinidad and Tobago Chamber of Industry and Commerce; Mr Ed Fung, of the Small Business Association; and Mr Neville Blake, representing the International Marketing Corporation of Trinidad and Tobago.

Two other members Mr Lingston Cumberbatch and Mr Eon Abner, representing the Ministry of Finance and Planning and Ministry of External Affairs--were unable to continue participating in the committees' work because of other official assignments.

Terms of reference were to "identify existing constraints to the development of exports in manufactured and processed goods from Trinidad and Tobago to the Caricom and international markets; and to recommend measures for the removal of such constraints and to make proposals for accelerating the development and expansion of the export sector through the use of fiscal and other forms of incentives."

## 49 Meetings

The committee, which as given three months to report, held 49 meetings between November 18, last year, and April 17, this year.

It was pointed out that several other countries with similar concerns about diversifying sources of foreign exchange earnings had gained a head start on Trinidad and Tobago in the quest for expanded export markets.

In an executive summary, the report stated: "In the circumstances, it behoves Trinidad and Tobago to shake off its lethargy and embark on imaginative, innovative, resourceful and aggressive policies and programmes in its export development thrust."

Overall, the Committee made 65 recommendations--31 of them for measures for the removal of constraints to the development and expansion of the export sector.

### A Package

Among the recommendations are amendment of the Finance Act to base the export allowance on percentage of export sales to total sales, and extension of the allowance, and that market development grants should be 50 per cent of approved expenditure and tax free.

Another recommendation was for the Government to introduce a comprehensive package of export financing facilities comprising preshipment guarantees, post-shipment guarantees and rediscounting facilities at concessionary rates.

It was suggested, too, that the post-shipment facilities should be administered by the Trinidad and Tobago Export Credit Insurance Company.

Another recommendation was for an expert group to be appointed to examine the potential of and make recommendations for the development of exports from the service sector.

### Import Restriction Removal

Port-of-Spain TRINIDAD GUARDIAN in English 5 May 82 p 4

[Text]

TRINIDAD and Tobago should make Caricom countries remove any restrictions on its exports as a condition for the grant of any financial assistance.

This is among the recommendations by the Cabinet-appointed Committee which examined export development in the non-oil sector.

The committee headed by Mr. Eldon Warner, general manager of the Industrial Development Corporation,

pointed out that despite the Caricom Treaty, there were practices in some Caricom countries which either prevented outright or discouraged exports from Trinidad and Tobago to those markets.

Some outlined were quantitative restrictions, protracted payment procedures, stringent import licensing procedures, requests for suppliers credits of abnormally long-term and appli-

cation of internal fiscal charges and duties contrary to the treaty.

The committee noted that the Government had consistently refrained from retaliatory action in respect of Caricom trade.

While not advocating a change in policy, the committee, stated that the growing imbalance of trade had now reached in the non-oil sector and had now reached intolerable proportions and it must be of grave concern to Government particularly given the export objectives.

The committee members recommended that:

Removal of these restrictions should be made a condition on the grant of any assistance from Trinidad and Tobago to any requesting Caricom country, where they apply; and

Active steps be taken at the highest level to remove the restrictions to trade in Caricom.

On the Caribbean Basin Initiative, (CBI) the committee advised that cautious optimism should be exercised on the part of the local export manufacturing community in their approach to the United States Market

under the CBI provisions.

It was also recommended that government should exercise vigilance to secure opportunities for this country's exports in economic co-operation agreements of a non-trade nature.

On transportation, the committee called for Caricargo and BWIA to be required to raise the level of efficiency with particular reference to the service offered to exporters and for Caricargo to expedite its programme to increase haulage capacity for volume cargo on specific high density routes.

The committee suggested that the government should seek to ensure the implementation by Caricargo of a freight rate competitive with that offered by surface carrier for containerised shipment.

With respect to sea transportation the committee recommended:

A shippers council be established in order that manufacturers could influence the policy of conference lines with respect to freight rates, surcharges and other related matters.



## ECONOMISTS VIEW DANGERS, BENEFITS IN CBI

FL142131 Bridgetown CANA in English 2125 GMT 14 May 82

[Text] Port-of-Spain, Trinidad, 14 May (CANA)--Two of Trinidad and Tobago's leading economists, Frank Barsotti and Frank Rampersad, have warned that the U.S.-sponsored Caribbean Basin Initiative (CBI) poses "potentially lethal dangers" to regional institutions like the Caribbean Community (CARICOM) and the Caribbean Development Bank (CDB).

But Mr Barsotti, permanent secretary in the Ministry of Finance, and Mr Rampersad, chairman of the state-owned airline BWIA, however said the multi-million dollar aid, trade and investment plan still had benefits and should not be rejected.

"(Although) the CBI does not go as far as we would like, we should discuss its possibilities and try to squeeze the maximum benefit from it," the two economists agreed at a panel discussion on the subject here this week.

Mr Barsotti said that the main danger in the Washington scheme to the regional integration movement lay in its concentration on a bilateral rather than a regional approach to CBI aid.

Stating that two-thirds of the Caribbean had worked hard to establish the 12-nation Caribbean Community, he told the debate: "I don't want to see these institutions just disappear or atrophy. I hope we could have a more regional approach to the CBI, rather than the present bilateral approach through which the integration movement could suffer."

Besides offering Caribbean Basin countries an additional (U.S.)\$350 million in aid this financial year, Washington's CBI proposals include this grating tax free concessions to American businessmen investing in the area and a 12 year duty free concession for regional goods entering the U.S. market.

Mr Barsotti said the plan was offering Trinidad and Tobago easy access in the American market, but if the twin island republic had nothing to sell, the opportunities being afforded would be wasted.

He suggested too that the CBI could be used as a catalyst to activate the local private sector, which he felt could go into joint ventures with extra-regional countries like Japan to take advantage of the free American market.

Economically speaking, the CBI could contribute to the development of Trinidad and Tobago and the Caribbean as a whole, Mr Rampersad said, but he voiced fears that it could also strike at the heart of regional cooperation.

The BWIA chairman said that although the CBI laid heavy emphasis on the private sector as a major channel for economic development, the experience of the Caribbean called for a more moderate approach in this regard.

"They have to realise that the governments in this region play an important role in economic development and they have to come to terms with that," Mr Rampersad said.

He charged that the duty free concessions in the CBI did not address the real problems of market access for Caribbean products. These problems, he said, were the non-tariff barriers such as the trigger price mechanism in the marketing of steel and quota restrictions.

"Tariff is not the problem. It is the unilateral imposition of non-tariff barriers," Mr Rampersad declared.

But he insisted that it was still possible for Caribbean nations to establish a common framework to deal with the CBI approach, and yet leave the door open for bilateral arrangements between America and individual territories.

"The CBI has the potential for giving economic assistance to Trinidad and Tobago and the rest of the Caribbean. It would be a mistake to throw it through the window. It has more potential than anything that has been offered the region before, but it would be equally foolish to accept it with the euphoria which the private sector in the region is doing, he said.

CSO: 3025/1108

## ONGOING CANE FIRES COULD COST NATION \$20 MILLION

Bridgetown ADVOCATE-NEWS in English 26 Apr 82 p 3

[Text]

PORT-OF-SPAIN, Trinidad, Sunday, (CANA) — Trinidad and Tobago stands to lose some TT\$20 million (one TT dollar equal 41 cents US) this year — including TT\$7 million in workers' wages — due to a continuing spate of cane fires, according to Caroni Limited, the nation's largest sugar producer.

The state-owned Caroni, in its latest bulletin, said unplanned cane fires had caused most of the losses suffered by the company and represented the biggest single disruptive influence on the industry.

Said the company: "We have (so far) been forced to abandon about 70 000 tonnes of cane. This represents a loss of about TT\$7 million. If the situation continues unabated, it will force us to abandon about 100 000 tonnes or about TT\$10 million.

"Since this cane cannot be harvested, it will mean that our employees will earn about TT\$7 million less than they should."

So far this year unplanned cane fires have caused the company to lose 8 000 tonnes of sugar or about TT\$8 million, Caroni said.

"If these fires continue the final cost could be about TT\$20 million," the company declared.

Caroni explained that unplanned cane fires:

- Disrupt the company's harvesting programmes.

- Reduce productivity in the industry.

- Reduce the company's sugar production.

- Cause employees to earn less than they should.

- Can disrupt electricity and telephone services.

- Reduce the nation's export earnings.

- Reduce the yields per acre of sugar cane and the effectiveness of supervision.

- Disrupt the company's future crop programmes and burn immature canes.

- Can cause the loss of animal and human lives and increase the company's operational costs.

In 1978 when cane fires were at 68 per cent level, the loss in yield of cane was about 2.8 tons per acre or a total of TT\$8 million. Today fires are a 100 per cent level Caroni stated.

The loss in yield is about three tons per acre or a loss of about TT\$12 million.

## MINISTER DESCRIBES PLANS FOR FISHING, AGRICULTURE

Bridgetown ADVOCATE-NEWS in English 30 Apr 82 p 3

[Text] PORT OF SPAIN, Trinidad, Thursday, (CANA) — The National Fisheries Company of Trinidad and Tobago has said it is already canning tuna fish at its plant at Sea Lots, in Port-of-Spain, and will put its fishmeal plant into operation later this week.

The company's 23 trawlers are now fishing solely for the local market and selling at reasonable prices.

Minister of Agriculture, Kamaluddin Mohammed, told a recent food seminar organised by the Trinidad Chamber of Commerce at Brechin Castle, in central Trinidad, that there was now a ban on the exportation of fish caught by the National Fisheries Company, because the priority was to satisfy the local market.

To help distribute the catch, depots are to be established at San Fernando in South Trinidad, Chaguanas in Central Trinidad, Sangre Grande in East Trinidad, and Scarborough in Tobago.

Mr. Mohammed said that a 10-year development plan for fishing had already been submitted to Cabinet, and that in the meantime, state enterprises were being asked to help with their expertise in building the local fishing industry.

He cited as examples the fact that the Point Lisas Industrial Company

(PLIPDECO) and Caroni Limited were going to build a facility, most likely at Orange Valley, in County Caroni, Central Trinidad.

He said that Caroni fishermen had very modern and up-to-date trawlers, but those had to stay offshore because of the shallow water. The problem could be solved by dredging a 200-foot channel so trawlers could be berthed along a quayside.

In looking at other aspects of agriculture, Mr. Mohammed outlined plans for greatly boosting production of seeds and planting materials.

The seed production facility at Chaguaramas in West Trinidad was being expanded, and ministry officials were looking at increasing production through use of hydroponics and greenhouses.

To help with marketing, the central marketing agency had acquired six modern refrigerated trucks and 10 refrigerated containers, and those would be fully utilised, the minister said.

He disclosed that a ban on foreign tomatoes was showing results, as different varieties of local tomatoes could be seen everywhere.

The government also intended to maintain its import ban on cauliflower, sweet pepper and cabbage, he added.

Other developments noted

by Mr. Mohammed included a decision that agricultural officers had to consult with farmers before undertaking any agricultural planning.

The minister reported good progress with the Carlsen field rice mill in Central Trinidad, which now had three million pounds of paddy bought from farmers.

A 5 000 acre agricultural development scheme at Plum Mitán in East Trinidad was underway, and another large vegetable-growing project planned for Pasea (East Trinidad).

Mr. Mohammed also announced that the blue print for development of the Caura Valley in the east had been received.

According to the minister, "a sizeable number of young people want to come into agriculture."

He stated that the average age of farmers in the Moruga agricultural scheme in south-east Trinidad was between 25 and 30 years.

Despite generally falling agricultural production, he identified cocoa and coffee as crops that had benefitted from unseasonal rains recently.

For the first half of this year cocoa production went up 22 per cent to 4.9 million pounds, and coffee rose 11 per cent to 5.1 million pounds.

There were also encouraging signs in poultry and mutton production, he stated.

## CPTU PRESIDENT REJECTS INCOME POLICY, WAGE FREEZE

Port-of-Spain TRINIDAD GUARDIAN in English 6 May 82 p 20

[Text]

**Council of Progressive Trade Unions (CPTU) wants no part of any incomes policy or, a wage freeze.**

**This was made clear by CPTU's president Cecil Paul at Saturday's annual May Day celebrations at TIWU Hall, Laventille.**

**Mr. Paul said there was recession in the petroleum industry which was bound to have adverse effects on Trinidad and Tobago's economy in the near future.**

**Contending that there was a strong possibility of a drop in oil production and prices, Mr. Paul, second vice-president of the Oilfields Workers Trade Union, said:**

**"We are not going to allow ourselves to be any part of an incomes policy in this country.**

**"The workers have no control over prices so why should they be made to pay the cake?**

**"As long as we (the workers) have no control over prices and inflation we are not going to agree to any freeze...we do not control the profits.**

**"Let the employers bring down their prices and take less profits...we are not going to give up what workers have fought so hard to achieve."**

**Addressing the SWWTU's biennial conference the night before, Labour Minister Errol Mahabir, advised trade unionists to institute self-imposed restrictions in their demands in the absence of incomes policy.**

**Mr. Mahabir stressed: "The current economic situation and prospects of Trinidad and Tobago indicate that incomes policy or wage guidelines could be essential elements in a policy mix."**

**He recognised that any form of wages policy measures such as rent control and excess profits tax were necessary to ensure financial policies.**

**Among the speakers were Allan Alexander and TIWU president Clive Nunez.**

CSO: 3025/284

## BRIEFS

AGRICULTURE'S PERFORMANCE--PORT-OF-SPAIN, Trinidad, Monday, (CANA)--The agriculture sector in Trinidad and Tobago contributed only 2.6 per cent to the Gross Domestic Product (GDP) last year, compared with four per cent in 1977, Minister of Agriculture Kamaluddin Mohammed said. The minister told delegates to a Chamber of Commerce that the unsatisfactory performance in the agriculture sector was strongly influenced by the sugar industry's performance. The Trinidad and Tobago sugar industry, which is mostly state-owned, has chalked up multi-million dollar losses annually for many years. Mr. Mohammed said Cabinet was assessing developments in the sugar industry. [Bridgetown ADVOCATE-NEWS in English 27 Apr 82 p 3]

CEMENT SHORTAGE--TOBAGO is faced with a chronic shortage of cement, and it is beginning to take its toll on the building industry. Several hardware dealers, as a result, have stopped selling the commodity, since threats were made to their lives. The merchants claimed that they constantly had to reply "sorry, no cement," when there was no real shortage in Trinidad. One dealer explained that at one time there was a cement shortage when shipping facilities were available. Now that there was a constant supply, in Trinidad, problems have arisen because of inadequate arrangements. Gordon Grant, Tobago, Ltd., and Almandoz Hardware are two of the largest dealers in Tobago, but they have decided not to sell cement until the supply situation has been improved. Another dealer, Mr. Sydney Aqui, of Independence Store, complained that he ordered 5,600 bags of cement for the year, but had so far received only 1,200 bags, at the rate of 300 per week. This was way below his requirements, and he could not see a way to ration few bags. "No way!" he said, he preferred guaranteed bulk shipments of 1,000 bags at a time. Hardware merchants and their angry customers are calling on the responsible authorities to take steps to remedy the situation. [Port-of-Spain TRINIDAD GUARDIAN in English 28 Apr 82 p 6]

NEW UNION--A NEW TRADE union has been formed for workers in the airport and related industries. It is Airport and General Workers Union (AGWU), formed on April 16, which will represent workers connected with the airlines operating in Trinidad and Tobago and all work connected with airport activities. A release from the union said that workers in the industry have been dissatisfied with lack of or poor representation. AGWU has been formed by workers in BWIA, Caricago, Piarco Air Services, Airport Authority, Aviation Services Ltd and Air Canada. Aims and objectives of the union include the organisation of

all workers and all other workers whether technical or non-technical or in public or private enterprises. It also aims at obtaining fair remuneration and conditions of service for its members that would ensure an adequate standard of living as well as looking after conditions relevant to the progressive interest of workers in general. AGWU's objective includes associating with other trade unions and organisations, providing educational facilities for its members, providing benefits such as pension, insurance, death benefits and credit union for members, to participate in printing information for the benefits of the union and engaging in any financial transactions as recommended by the general council. President general of the union is Mr Chris Rudolpho. [Port-of-Spain TRINIDAD GUARDIAN in English 6 May 82 p 20]

CSO: 3025/285

AD DOCUMENT CRITICIZES GOVERNMENT'S ECONOMIC MEASURES

Caracas EL UNIVERSAL in Spanish 28 Apr 82 p 1-15

[Article by Alan Lugo G.]

[Text] In the opinion of Democratic Action (AD), the National Executive underestimated the drop in fiscal revenues, and overestimated the recovery of the oil market, in an astute display of numerical juggling.

AD claims that this juggling is based on the hope that the industrialized countries will step up purchases in order to bolster their inventories.

AD believes that the oil-related fiscal deficit, for the purposes of the 1982 budget, can be estimated conservatively at some 20 billion bolivars, not the 13.4 billion claimed by the Executive.

These opinions appear in a document being drawn up by the AD technical committee, composed of Drs Benito Raul Losada, Leopoldo Carnevali, Jose Manuel Tineo, Pedro Conde, Garcia Palacios and Hector Hurtado.

The document presents an in-depth analysis of the implications of the measures announced by the president of the republic, with regard to the reduction of budgetary spending, the collection of new revenues, and production stimuli.

In general terms, the document questions many of the announcements made by the chief of state, because they are not sufficiently attuned to reality. For example, it claims that the measures designed to stimulate production are not effective enough.

As for fiscal revenues, the document points out that the oil crisis was underestimated by the National Executive.

The document is now being reviewed by Dr Hector Hurtado, who is responsible for the final draft. It is expected that the document will be published next week.



## Government Makes Reality Vanish

According to the estimates done by the National Executive, fiscal revenues generated by petroleum are supposed to fall by about 13.4 billion bolivars. To deal with this deficit, the government decided to resort to spending cuts totaling 8.35 billion bolivars, to the partial use of uncommitted treasury reserves, and to the levying of other taxes.

Nevertheless, Democratic Action contends that the government was unable to appreciate the magnitude of the oil crisis, and therefore did not take action commensurate with the implications of that crisis and with the aspirations of the people. It did not cut or reorient spending, which was the wise thing to do; on the contrary, it is frantically casting about to find new sources of income to back up a spending program still at catastrophic levels.

In the view of the AD experts, the situation of the international oil market is now very different from what the government has indicated.

To describe this situation, we must look into the circumstances that have led to the present state of affairs.

At its special session last March, OPEC decided to cut back production in member countries to an average of 17.5 million barrels per day.

Within that framework, Venezuela was to achieve a daily production of 1.5 million barrels.

This decision was made for the purpose of halting the decline in demand for oil that was driving prices down. This slump in demand is due, among other things, to energy conservation and efficiency measures, and to the fact that the developed countries are facing the deterioration of their domestic economies, manifested in an already intolerable unemployment rate and an inflation that eats away at the public's buying power.

Furthermore, in the past 8 years efforts have intensified to locate and produce more petroleum, and to substitute other sources of energy. All of this has led to the emergence of new hydrocarbon producing countries and regions, such as Mexico, Alaska and the North Sea countries; and to an increasing reliance on coal, hydroelectric energy, natural gas and nuclear energy to meet energy needs in the industrialized nations.

Another factor was the draining of accumulated oil reserves brought about by the fall in oil prices and the rise of interest rates, which make it uneconomical to have high inventories on hand. The risk is that prices will be lower in the future, and the product will have to be sold at a loss, or interest will not be paid if the oil is sold. The build-up of inventories is desirable when the prospect of a rise in prices looms ahead, for national security reasons, if a serious international conflict is expected.

All these factors led to a fall in sales, and consequently lower prices. At present, according to AD's figures, the price is at about \$27.16 (sales price), as opposed to the \$30.41 per barrel estimated in this year's budget.

In the first quarter of this year exports averaged a mere 1.553 million barrels per day (the goal for the year is 1.79 million barrels per day).

Total production during that quarter amounted to 1.858 million barrels per day.

As a result of the OPEC agreement, production will total 1.5 million barrels per day, with exports pegged at 1.238 barrels per day. Average production for the year will be 1.588 million barrels per day.

In view of this situation, and given that according to the AD document the final sales price is \$27.16 per barrel and the export value is about \$35.30 per barrel (by law, it cannot be more than 30 percent higher than the sales price), oil-related fiscal revenues are expected to be in the order of 20 billion bolivars less than the budget estimate, after deducting costs.

The document contends that if one also considers the secondary effects of the contraction of revenues generated by the domestic economy as a result of this situation, it is no exaggeration to assert that the deficit, calculated according to the methodology widely accepted in government circles, will soar even higher.

#### Overestimate of Oil Market Response

The calculations made by the National Executive place the years total exports at a daily average of 1.42 million barrels, which is based on an exaggeration of the response of the oil market.

According to Democratic Action, this hope stems from the assumption that strategic reserves were reduced by 5 to 6 million barrels per day, although authorized sources put that figure at no more than 3 million barrels per day.

This means, then, that the reserves of developed countries have fallen very gradually, and are still above the minimum level. That is, they have crude oil reserves sufficient for 105 days of consumption, when all they need is 90 days' worth.

The upshot, as Democratic Action will state in its document, is that the situation is not clear, so it is not wise to base the estimate of revenues on a questionable hypothesis, much less to plan spending on that basis.

Proceeding in this manner also demonstrates an inability to assess the present economic situation, plus a lack of seriousness in managing the affairs of state, given that it involves spending without any financial backing and further forced indebtedness.

Moreover, there is some doubt about the government's failure to adjust to the new situation resulting from the reduced revenues; on the contrary, it is desperately seeking new sources of income to enable it to continue its wasteful ways of unproductive spending, which do nothing to improve the Venezuelan standard of living or to lay the groundwork for the future well-being of everyone.

In another part of the document, Democratic Action questions the president's decision to devote a substantial part of his speech to pressuring Congress to approve new debts for more than 64 billion bolivars. This would add considerably to the existing debt, which soared from 72 billion in 1978 to 117 billion at present, a leap of 45 billion bolivars in less than 3 years.

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## ALLOCATION OF FUNDS FOR PUBLIC SECTOR GREATLY REDUCED

Caracas EL UNIVERSAL in Spanish 4 May 82 p 1-14

[Article by Alfredo Palacios]

[Text] Budget allocations to public sector agencies to finance investment expenditures have been the most seriously affected by the budget cutbacks implemented by the National Executive to deal with the decline in fiscal revenues.

As the president of the republic announced, the budget will be cut by a total of 8.35 billion bolivars. Of that amount, 3,304,955,360 bolivars corresponds to the above-mentioned contributions for investments by public agencies.

According to the cutbacks drawn up by the Finance Ministry, the Education Ministry will lose 495.9 million bolivars from its budget. The most severely curtailed programs in that ministry are the following: Central Services, 22.844 million bolivars; Education Planning, 23.15 million; Socio-educational Affairs, 17.116 million; Basic Education, 18.154 million; Primary Education for Adults, 1.25 million bolivars.

The total amount of funds cut from the financing of operational expenses of university institutes and schools is 43 million bolivars.

National experimental and non-experimental universities will bear the brunt of the educational cutbacks. The reduction is broken down in the following manner:

HIGHER EDUCATION	<u>43,000,000</u>
Contributions to Public Sector Agencies	43,000,000
<u>Other Contributions to Finance Operational Expenses</u>	<u>43,000,000</u>
1. University Institutes and Schools	43,000,000
UNIVERSITY EDUCATION	<u>226,000,000</u>
Contributions to Public Sector Agencies	226,000,000
<u>Contributions for Operational Expenses to Autonomous Institutes</u>	<u>226,000,000</u>
1. National Experimental and Non-experimental Universities	225,000,000

- Universidad Central de Venezuela	69,818,000
- Universidad de Los Andes	27,428,000
- Universidad del Zulia	37,058,000
- Universidad de Carabobo	27,248,000
- Universidad de Oriente	20,880,000
- Universidad Centro Occidental "Lisandro Alvarado"	9,045,000
- Universidad Simon Bolivar	12,128,000
- Universidad Nacional Experimental "Simon Rodriguez"	5,108,000
- Universidad Nacional Experimental de los Llanos Occi- dentales "Ezequiel Zamora"	4,298,000
- Universidad Nacional Experimental "Francisco de Miranda"	2,340,000
- Universidad Nacional Experimental de los Llanos Cen- trales "Romulo Gallegos"	761,000

Of the total of 98.1 million bolivars corresponding to the cut in allocations to public sector agencies, 89.9 million is for financing investments. The Institute of Social Welfare and Aid of the Ministry of Education (IPASME) will lose 50 million bolivars, of which only 5.2 million is earmarked for operational expenses.

Subsidies to private universities will be cut by 12 million bolivars; only half of that amount goes to the Universidad Catolica Andres Bello.

The cultural institutions most severely affected by the reductions are the Teresa Carreno Foundation, 4.6 million; and the Book Bank, 2 million bolivars.

#### SAS

The budget of the Ministry of Health and Social Assistance (SAS) will be cut by 176 million bolivars. The Medical Care Services program will be hardest hit, losing 83,172,140 bolivars, of which 60,803,493 will come from the Hospital Care Subprogram.

The collective bargaining program will be cut by 20 million bolivars.

The reduction in allocations to public sector agencies totals 36 million bolivars. The National Nutrition Institute accounts for 19 million bolivars in operational expenses, while the Caracas University Hospital will lose 5 million bolivars that had been earmarked for investment expenses.

#### Agriculture and Livestock

The Ministry of Agriculture and Livestock will see 228 million bolivars taken from its budget. The most seriously affected programs are that of Integral Development of the Irrigation Area (8.343 million bolivars) and that of Allotments to Public Sector Agencies (208 million bolivars). The latter program is broken down as follows:

	Cut in Bolivars
ALLOTMENTS TO PUBLIC SECTOR AGENCIES	<u>208,000,000</u>
Contributions to Public Sector Agencies	<u>208,000,000</u>

<u>Contributions to Finance Operational Expenses</u>	<u>183,000,000</u>
National Agrarian Institute	25,000,000
Agricultural Marketing Corporation	80,000,000
National Fund for Agricultural Research	15,000,000
National Coffee Fund	45,000,000
National Cacao Fund	6,000,000
National Reforestation Company	5,000,000
National Institute for Agricultural Training	2,000,000
Fruit Development Fund	5,000,000
<u>Contributions to Finance Investment Expenses</u>	<u>25,000,000</u>
Agricultural Credit Fund	15,000,000
Agricultural Development Bank	10,000,000

#### Transportation and Communications

The Office of Transportation and Communications will be cut back by a total of 1,465,300,000 bolivars. The program hit hardest is that of overland routes, which will lose 743.58 million bolivars, of which 731 million corresponds to the project execution subprogram.

A total of 641 million bolivars will be taken away from the allocation to public sector agencies. The National Port Institute will be cut back 122 million bolivars, while the Postal Telegraphic Institute will lose 40 million; they are the only agencies whose operational expenses will be cut. The Maiquetia International Airport, with a 29 million bolivar cutback, and the Autonomous Institute of State Railroads, with 120 million, are the entities that will suffer reductions in the financing of investment expenses.

There will also be a drop of 300 million bolivars in contributions of capital for the Metro Company of Caracas.

#### Labor

The budget of the Labor Ministry will shrink by a total of 253.5 million bolivars. Of that amount, 250 million comes from contributions to the Venezuelan Social Security Institute, to finance operational expenses, and 3 million from the Workers Training and Recreation Institute (INCRET), for the same purpose. The remaining 500 million bolivars would have gone to the collective bargaining program.

#### MARNR

A total of 777 million bolivars will be sliced from the budget of the Ministry of the Environment and Renewable Natural Resources (MARNR).

The programs suffering the most are Hydraulic Works and Environmental Infrastructure (220.874 million bolivars), and Allotments to Public Sector Agencies (517 million). In the former program, the Yacambu-Quibor System project will be cut by 120 million bolivars.

Of the total of 517 million slated to be taken away from public agencies, the National Health Project Institute will lose 510 million bolivars that had been set aside for investments.

## Justice and Mines

The Ministry of Justice will have to forego 51,650,500 bolivars; of that amount, 18 million corresponds to the Judicial Police and 25 million to the Penitentiary Treatment Program.

The Ministry of Energy and Mines budget will be cut by 28.8 million bolivars; the Petroleum Research Fund (FONINVES) alone will be cut by 15 million.

## Urban Development

The reduction in the budget of the Ministry of Urban Development totals 1,457,200,122 bolivars. The programs suffering the greatest impact are Building Construction (313 million) and Allotments to Public Sector Agencies (1.13 billion bolivars). In the latter program, the National Housing Institute will bear the brunt of the cuts, with 880 million bolivars. Also, 195 million in subsidies to the National Urban Development Fund will be eliminated.

## Information and Youth

The Ministry of Information and Tourism will lose 38 million bolivars from its budget. Of that amount, only 20 million corresponds to the subsidy that had been set aside for the Venezuelan Television Company.

The Ministry of Youth budget will be readjusted by 96.8 million bolivars. The category of contributions to finance operational expenses of public sector agencies includes the National Minors Institute (25 million), the National Sports Institute (30 million) and the Gran Mariscal de Ayacucho Foundation (40 million).

## Secretariat of the Presidency

The Ministry of the Secretariat will see its budget cut back by a total of 151,676,212 bolivars. The program hardest hit is Allotments to Public Sector Agencies, which will suffer the following reductions:

ALLOTMENTS TO PUBLIC SECTOR AGENCIES	118,444,500
Contributions to Public Sector Agencies	118,444,500
<u>Contributions to Finance Operational Expenses</u>	<u>72,005,549</u>
- Venezuelan Guayana Corporation	7,900,100
- Development Corporation of the Andes Region	3,557,974
- Development Corporation of the West-Central Region	344,500
- Foundation for the Development of the West-Central Region	2,500,000

- Development Corporation of the Zulia Region	11,000,000
- Development Corporation of the Los Llanos Region	1,500,000
- National Council on Scientific and Technological Research	10,100,000
- National Council on Culture	33,000,000

<u>Contributions to Finance Investment Expenses</u>	<u>46,438,951</u>
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- Venezuelan Guayana Corporation	12,099,900
- Development Corporation of the Andes Region	16,442,026
- Development Corporation of the West-Central Region	2,000,000
- Development Corporation of the Zulia Region	3,000,000
- Development Corporation of the Northeastern Region	5,000,000
- Development Corporation of the Los Llanos Region	7,897,025

#### Interior Relations

The budget of the Ministry of Interior Relations will be cut by 1.65 billion bolivars. Of that amount, 1 billion corresponds to the Constitutional Fixed Income, which is the central administration's contribution to state governments. Another 30 million corresponds to the Intelligence Services, State Security and Public Order Program. Of that amount, only 1 million will be cut from bodyguard operational expenses.

#### Finance and Defense

The cut applied to the Finance Ministry budget is 1.607 billion bolivars. Of that total, 1.5 billion corresponds to contributions that had been earmarked for the Venezuelan Investment Fund.

The Ministry of Defense will suffer a 254 million bolivar budget cut.

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## FOREIGN EXCHANGE, COST OF LIVING FIGURES

Caracas EL UNIVERSAL in Spanish 30 Apr 82 p 2-1

[Text] Financial and monetary indicators reported by the Central Bank of Venezuela show a small but steady growth of the monetary base, which totaled 124,255 million bolivars on 16 April. There was also a clear decline in the amount of daily foreign exchange sales, which leads to the conclusion that the outflow of dollars--which rose disturbingly in March--has fallen to \$83 million a day. The figure for the week of 29 March to 2 April was \$143.20 million a day; during the following week it was \$108.33 million a day; during the next week, \$99.60 million; and during the week of 20 to 23 April (Tuesday through Friday), the average fell to \$83 million a day.

As noted above, the monetary base was 124,255 million bolivars at the close of the week ending 16 April, after having stood at 123,828 million bolivars 1 week earlier. Of that 124,255 million bolivars, 48,871 million consisted of the mass of money (cash and demand deposits) called "money in circulation" as of that date. The remainder, 75,384 million bolivars (savings and time deposits), constitutes the bulk of the bank funds used to finance the economy, which is fed by short-term money.

Finally, it was reported that at the close of the week, 23 April, international monetary reserves stood at \$6,789 million.

Rise in Consumer Price Index: 0.4 Percent

For February, the consumer price index for metropolitan Caracas rose 0.4 percent, less than the rate estimated for the previous month (1.0 percent), according to the latest issue of the Central Bank of Venezuela's (BCV) monthly bulletin, which was distributed today.

This behavior was primarily determined by upward movement by foodstuffs, beverages, and tobacco products (1.6 percent); household expenses (0.3 percent); and various other expenses (0.1 percent).

At the same time, clothing and footwear continued to rise at a decreasing rate, which this month was 2.8 percent, the report stated.

More specifically, within the foodstuffs, beverages, and tobacco group, sugars, preserves, and candy rose sharply (24.3 percent), as did various food products (11.0 percent), fruits (4.0 percent), fish, shellfish, and crustaceans (3.2 percent) and food eaten outside the home (2.0 percent).

Moreover, in the clothing/footwear group, there was a slight increase in prices of clothing and footwear for adults (0.5 percent) and clothing and footwear for children (0.4 percent), following declines of 0.8 percent and 0.3 percent, respectively, during the previous month.

As for various household expenses, there were notable increases in housing and related services (0.4 percent), medical care and hospitalization (0.8 percent), and services (0.6 percent).

In contrast, prices fell in the subgroups starchy roots and derivatives (8.3 percent), vegetables (6.09 percent), eggs (0.5 percent), clothing and footwear for women (5.5 percent), clothing and footwear for men (1.1 percent), and transportation (0.6 percent).

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## ECONOMIC MEASURES, REORIENTATION OF ECONOMIC POLICIES VIEWED

Caracas EL UNIVERSAL in Spanish 12 Apr 82 p 2-2

[Commentary by C. R. Chavez]

[Text] It may be too early to express a sensible, objective opinion about the strategic value, within the context of the country's general situation, of the economic measures adopted recently by the national government. To speak precipitately about a subject as important as this would be to follow the pattern of the politicians belonging to our cultured partisan flock, who express supposedly wise, significant opinions a few minutes after having heard the president speak, not realizing that at the moment they are a docile instrument of their present emotional state or a conveyor of their party's set opinions concerning the issue on which the views are being expressed.

To speak profoundly and responsibly about something that directly touches the people's wallets, about something that unquestionably will alter the family budget, entails great responsibility, not to mention extraordinary risk.

The president of the republic finally made the long-awaited announcement. He announced the so-called "economic measures" and began with that subsector of the economy regarding which his attitude and position were most harsh and intemperate: We are referring to gasoline.

For, in fact, with respect to the increase in gasoline prices, which is something very simple, very obvious, and very well known, the president and his team of aides practiced the same stealth, the same prudence, and the same secretiveness that normally is employed concerning devaluation of currency or establishment of exchange controls. It was a secret that had no reason to be, for if the government were going to raise gasoline prices, it could very well have made a prior announcement--as is normally done in a democracy in such cases--with the assurance that the prior announcement would not enable someone to hoard gasoline for later sale but rather would make possible calm, objective analysis of the issue. Perhaps a better system for changing prices would have been achieved than the one finally established by the government.

Obviously, President Herrera can say, rightfully and correctly, that the government's power to make decisions is nontransferable and that officials are not obligated to seek advice about or reveal the content of the policies they intend to establish and implement. However, in Venezuela, regarding the changes believed

necessary in the context of the overall development strategy, it has been customary to seek advice and accept the opinions of leading citizens. However, this time that mechanism did not operate, and now the measures have been announced, with a firm date for implementation.

Our preliminary impression is that the measures are limited in number and, generally speaking, fairly drastic, especially the tax on those traveling abroad, which is excessively severe. Even so, that tax is not going to stop "happy travelers," who leave the country nearly every day in droves for different countries and parts of the world, with their wallets full of dollars or with accounts in foreign banks created with foreign currencies transferred there.

To keep foreign exchange here, in addition to this tax--which is good, but is very severe--consideration could perhaps be given to a tax on transfers of funds, whatever their purpose, amount, and destination; and to continuation of the policy--backed by an active, well-run publicity campaign--that Venezuelan banks accept deposits in dollars, and even in other strong, important currencies circulating internationally.

In general, the four measures adopted--a) the increasing of gasoline prices, b) the increasing of the tax on departures abroad, c) elimination of the public sector's exemptions from customs duties, and d) rational use of the Treasury's contingency reserves (totaling somewhat more than 4,000 million bolivars)--are well founded, and it is possible that if properly implemented they can achieve the objectives sought. However, the immediate enemies of these measures can include the following: 1. Major, paralyzing governmental macrocephaly, 2. Administrative corruption of every sort and at every level, 3. Exasperating inefficiency of public services in general, 4. Extensive personal and financial insecurity, 5. Inflation in all its aspects, and 6. The absence of a work discipline that turns responsibility back to us and of a sense of duty to the country, which at one time was the great shield warding off the slings and arrows of adversity in the country's economic and social life.

Of course, none of this would have been done were it not for the collapse of prices and demand for petroleum, which has affected us as a country in an unexpected way. Venezuela had started 1982 with a budget of 87,400 million bolivars--after having made an outlay in 1981 of 95,000 million bolivars without anyone's having grimaced--and was prepared to continue to be immersed in its favorite activity, that of playing politics, trusting that petroleum will always cover any frivolity, any intolerance, any managerial negligence. However, the blow of declining petroleum prices landed, and here we are, doing financial, fiscal, and administrative pirouettes in an effort to reduce the fiscal deficit--assumed in advance to be large--that we will have this year.

Thus, we now have measures to reduce budget items; measures to stimulate income in non-petroleum areas; measures to encourage primary and secondary activities. All that is intended to close the fiscal gap that petroleum is leaving us with. The blame is as large as the estimate everyone is subjectively making, for no one knows yet exactly how big it will be.

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## The Desirable Reorientation

A bold reorientation of the country's overall economic policy would strengthen the entire plan for economic rehabilitation, administrative reorganization, social development, and revitalization of the national political system. Such a reorientation--which would largely be based on an immediate revision of the Sixth National Plan to make necessary changes and corrections in it--should entail a focusing of effort and attention on two or three points on Venezuela's economic landscape. For example, we should act in a different, new, up-to-date, aggressive manner in the sphere of agricultural/livestock development; reorganize, on a new basis, the system for construction and financing of public works, especially those that are self-supporting; and give a new tool to the manufacturing industry and to the intermediate goods industry and basic industry, to strengthen their position and so that they participate more directly and more prominently in the great national development effort. We should particularly launch a broad-scale human resources program, with a new system for training and utilizing them, in accordance with a realistic economic growth plan.

The foregoing is suggested because the way in which we are managing things in Venezuela, there is very little that these small, isolated--and thus unrelated--measures can contribute to resolution of the severe, major problems we face. Raising the price of gasoline will not reduce consumption of this product in a short time, even if the goal of increasing oil companies' incomes is achieved, along with a resultant increase in government revenues. That is not all, however, for the problem facing the government is not entirely that of insufficient income. The real problem is exorbitant expenditures that are nearly impossible to control. It is the problem of a budget for a country that only 10 years ago could manage extremely well with 12,000 million bolivars but in 1981 needed a total of 95,000 million; and even then it wasn't possible to satisfy all the needs of the gigantic governmental octopus that, with fanatical avarice, devours all the financial resources our providential petroleum is able to generate, along with the small increase in revenues from the domestic economy not connected with the petroleum colossus.

It is incredible for Venezuela, after having invested mountains of money in agriculture, to still be importing half or more of the corn, soybeans, sorghum, and beans that a nation of scarcely 18 million people consumes.

It is also incredible that this country witnesses the death from consumption of no less than 10 percent of the small and medium-sized manufacturing firms established throughout its territory because of a lack of timely financing and, in particular, owing to excessive competition from abroad. This is due to this country's generosity in allowing foreign products to enter or obvious complicity by a powerful person in the entry of various forms of contraband. It is incredible, too--we say finally--that we do not have a coherent, bold, organized, objective, realistic economic strategy.

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